2025–2026

HUTT CITY
TE AWA KAIRANGI

Pūrongo ā-Tau
Annual Report



The lines woven within 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.

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 Whātaitai. Ka timu ngā tai o Te Wai Mānga, ka pari 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 Puketapu, a Te Matehou, a Hamua, a Mangatuku 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 tupua, Ngake and Whātaitai, were summoned from the depths of the freshwater 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 Puketapu, Te Matehou, and Hamua and Mangatuku, 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 flows down from its source at Pukemoumou in the Tararua ranges and over these lands as a sheltering haven for the people.

Ngā hua o roto
Contents

He karere nā te Koromatua / Tumu Whakarae
Message from the Mayor and Chief Executive 4

Nga Kīwei o Te Kete
Partnership with Mana Whenua 5

1

Tō tātou tāone
Our city 8

Tiaki Wai 10

Tō tātou rautaki
Our strategy 11

Ngā mahi o te tau
Our year in review 12

Tirohanga whānui
Overview 13

Tō Tātou Rautaki Māori
Our Māori Strategy 14

Hanganga anamata
Future-fit infrastructure 15

Whakauka ahumoni
Financial sustainability 16

2

Tātaritanga
Our performance 22

Ngā whakatau me ngā whakapae o te kawe ratonga
Service performance judgements and assumptions 22

Whakarāpopoto tātaritanga
Our performance at a glance 25

Oranga taiao
Environmental wellbeing 28

- **Ngā puna wai**
  Water supply 28
- **Waiparu**
  Wastewater 33
- **Waiāwhā**
  Stormwater 37
- **Para**
  Solid waste 41
- **Whakauka me te Manawaroa**
  Sustainability and resilience 45
- **Ngā ratonga waeture**
  Regulatory services 49

Oranga ōhanga
Economic wellbeing 52

- **Ngā waka**
  Transport 52
- **Whanake tāone**
  City development 58

Oranga hapori, oranga ahurea
Social and cultural wellbeing 61

Hō mātou rangapū hapori me te mahi ngātahi
Community partnering and support 61

Papa rēhia me ngā whenua tāpui
Open spaces, parks, and reserves 65

Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia
Connectivity, creativity, learning, and recreation 70

Kāwanatanga, ko te rautaki me ngā kīwei o te kete
Governance, strategy, and partnerships 75

Ratonga rangatōpū
Corporate services 78

Ngā ringaringa me ngā waewae o te kaunihera
Subsidiaries and Associates 81

3

Hō mātou pūtea
Our finances 86

Tauākī Tūtohu
Statement of compliance 86

Pūrongo Kaitātari Kaute
Independent Auditor's report 87

Tauākī pūtea
Financial statements 91

Āpitihanga tauākī pūtea
Notes to the financial statements 99

Paerewa matawhāiti
Annual Report disclosure statement - prudence benchmark 169

Tauākī pāpātanga tahua
Funding impact statements 172

Āpitihanga
Appendices 187

Āpitihanga 1: Kuputaka
Appendix 1: Glossary 187

Āpitihanga 2: Tō koutou Koromatua me ngā Kaikaunihera
Appendix 2: Your Mayor and Councillors 190

Āpitihanga 3: Whakapā mai
Appendix 3: Contact details 192

He karere nā te Koromatua / Tumu Whakarae Message from the Mayor and Chief Executive



Kia ora,

The 2025-26 financial year has been one of delivery, resilience and progress for Te Awa Kairangi ki Tai Lower Hutt.

The year was shaped by an ongoing programme of government reform including local government reorganisation and major changes to New Zealand's resource management system requiring our council to remain adaptable while continuing to focus on delivering for our community.

Substantial work was undertaken in response to water reform including extensive preparations for the transition of water services to Tiaki Wai on 1 July. This required significant effort from staff across the organisation to support one of the largest operational changes facing local government while ensuring the continued delivery of services to our communities.

Recognising the financial pressures facing our community, Council responded to cost-of-living challenges by adopting a lower rates revenue increase than originally forecast, while maintaining the services, infrastructure investment and contributing to improved community outcomes. This reflected Council's commitment to balancing affordability with the long-term sustainability of the city.

A highlight of the year was the completion of Tupua Horo Nuku, the 4.4km coastal shared path and seawall connecting the Eastern Bays. This transformative project strengthens the resilience of a critical transport route, improves safety for walkers and cyclists, and reflects a strong partnership with Mana Whenua and the project partners.

Early use of the path has been strong, with more than 17,000 bicycle movements and 17,000 pedestrian movements recorded at the Lowry Bay sensor between 1 May 2026 and late August 2026. The completion was marked by a Tapuwae Whenua ceremony led by Mana Whenua recognising the cultural significance of the project and the collective effort behind its delivery.

Alongside this achievement, the opening of Te Ara Tupua Ngā Ūranga ki Pito-One shared path created a significant new active transport connection for the region while continued progress on Te Wai Takamori o Te Awa Kairangi (RiverLink) advanced one of the city's most important flood protection, transport and urban regeneration projects. These investments demonstrate Council's commitment to building a more connected, resilient and future-focused city.

As severe weather events become increasingly common, our city continues to show its resilience. Time and again, our communities step up, support one another and work alongside Council and emergency partners to respond and recover.

The year also saw further adoption of technology and innovation to improve services, drive efficiencies and enhance organisational capability. This work was recognised through local and national awards including acknowledgment of our AI programme, our Building Control team, and the award-winning design, sustainability and community outcomes achieved through Te Ngāengae Pool and Fitness.

Maintaining tight financial control remained a key focus throughout the year. While returning to a balanced operating budget over time remains challenging in an environment of rising costs and significant infrastructure investment needs, Council remained committed to prudent financial management and long-term sustainability.

This year has seen progress across a range of priorities supported by the commitment of elected members, Mana Whenua, community organisations, volunteers, residents and staff. Together, we are building a city that is more resilient, inclusive and prepared for the future.

Ngā mihi,

Ken Laban
Te Koromatua o Te Awa Kairangi ki Tai
The Mayor of Lower Hutt

Jo Miller
Tumu Whakarae
Chief Executive,
Hutt City Council

Nga Kīwei o Te Kete Partnership with Mana Whenua

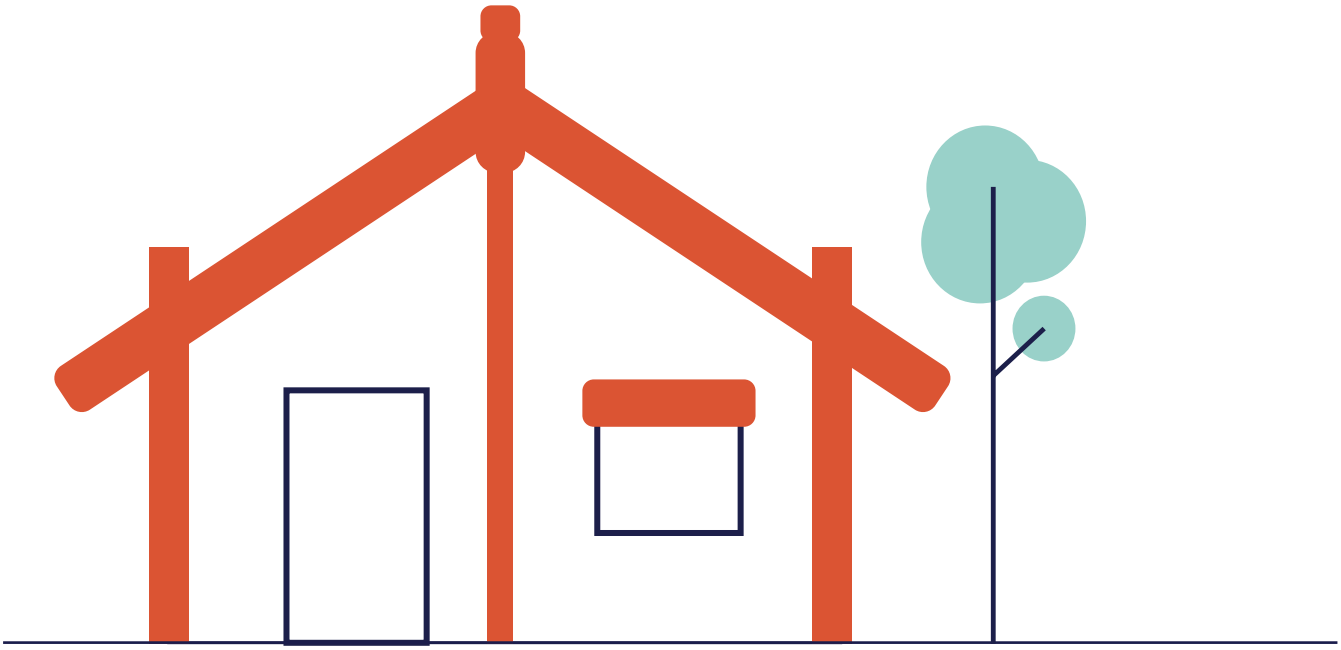
We maintain a key partnership with Mana Whenua, founded on Te Tiriti o Waitangi.

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

We have Tākai Here (Memoranda of Partnership) with the organisations representing Mana Whenua and Mātāwaka in our area. Tākai Here agreements along with supplementary agreements (reflecting operational matters), follow a covenant approach, reflect iwi plans, and align with both Council and iwi aspirations.

We continue work to include Te ao Māori in our policies and practices, respond to Māori needs and aspirations, and meet our obligations under Te Tiriti o Waitangi. We understand that a strong partnership with Mana Whenua is crucial for a thriving city for our people.

More information about Mana Whenua partnerships can be found at: **hutt.city/mana-whenua**



1 Tō tātou tāone
Our city

Te Awa Kairangi ki Tai Lower Hutt is a growing city with dynamic and diverse communities. From our rich cultural heritage and beautiful landscapes to impressive coastlines and vibrant economic sectors. Our city borders Porirua to the north, Upper Hutt to the northeast, South Wairarapa District to the east and Wellington to the southwest and west. It is one of nine territorial authorities in the Wellington Region.

A snapshot of Te Awa Kairangi ki Tai Lower Hutt



Population & housing

Estimated population	114,200
Dwellings	42,300
Median sale price	$661,987* *(house values as of March 2026)
Median rent	$595 per week (March 2026)

Source: Infometrics, March 2026



Cultural diversity

European	64% (69,168)
Māori	20% (21,702)
Asian	19% (19,977)
Pacific peoples	12% (13,125)
Middle Eastern, Latin American, and African	2% (2,214)
Other ethnicities	1% (1,104)

Source: Census, 2023 (rounded)



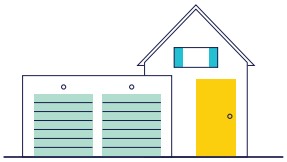
Education

No qualification	15.2%
Level 1 certificate	9.9%
Level 2 certificate	10%
Level 3 certificate	12.6%
Level 4 certificate	8.2%
Level 5 diploma	5.1%
Level 6 diploma	4.4%
Bachelor's degree and level 7 qualification	16.4%
Post-graduate and honours degrees	6.4%
Master's degree	5.1%
Doctorate	1.3%
Overseas secondary school qualification	5.3%

Source: Census, 2023

NEET Rate
The NEET rate is 13 percent, compared with the national average of 13.8 percent

Source: Infometrics, June 2026
NEET means Not in Employment, Education, or Training.



Community services

People living in crowded housing:

13,560

Source: Census, 2023

People living in severely deprived housing:

2,094

Source: Census, 2023

Housing register applicants:

597

Source: Ministry of Social Development, March 2026



Workforce

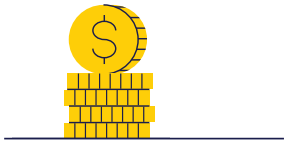
50,756

filled jobs (employment)

Source: Infometrics, June 2026

Professionals	28.4%
Managers	16.5%
Technicians and trades workers	13.8%
Clerical and administrative workers	10.2%
Community, personal service workers	10.0%
Sales workers	8.1%
Labourers	7.8%

Source: Infometrics, March 2026



Economic landscape

Health care and social assistance	14.1%
Construction	12.5%
Retail trade	9.4%
Education and training	9.0%
Professional, scientific, and technical services	8.8%
Manufacturing	8.4%

Source: Infometrics, March 2026



Housing affordability

Housing affordability: In Lower Hutt City, the average house value was 4.3 times the average household income in 2026.

Source: Infometrics, June 2026

Home ownership: 66.8 percent of Lower Hutt households own their home.

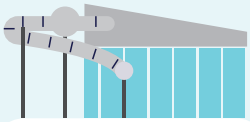
Source: Census, 2023

Median household income

$137,025

Source: Infometrics, March 2026

Lower Hutt Resident Satisfaction Survey 2026 at a glance



81%
Swimming Pools



77%
Playgrounds



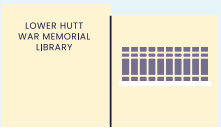
91%
Museums



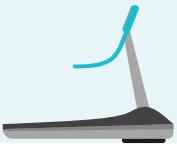
80%
Sports grounds



83%
Parks and reserves



89%
Neighbourhood hubs and libraries



82%
Fitness suites



77%
Kerbside rubbish and recycling services



80%
Community halls



82%
Cemeteries/ urupā



72%
Reliability of the water supply

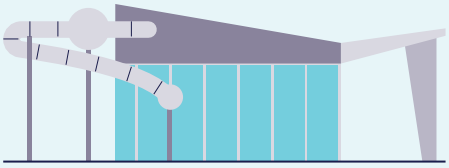


68%
Quality of the water supply



74%
of residents say that Te Awa Kairangi ki Tai Lower Hutt is a great place to live, work, and play

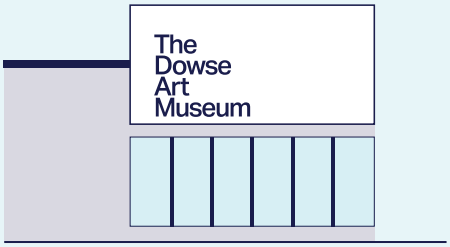
Council assets



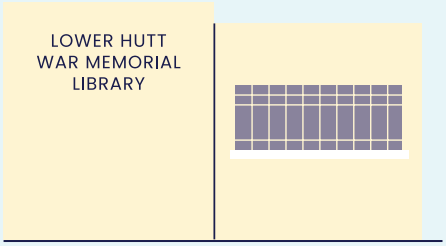
6
pools
3 Pool and fitness centres
3 Summer pools



10
community
halls



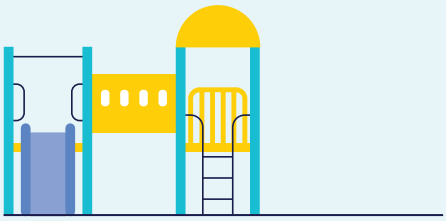
2
museums



9
neighbourhood
hubs and libraries



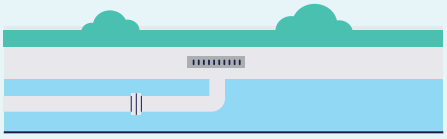
2,781 hectares
of public green space (these include parks, **349** reserves, sports grounds, playgrounds, gardens, and cemeteries)



57
playgrounds



486km
Roads
683km Footpaths



693km
Water supply pipes
666km Wastewater pipes
463km Stormwater pipes

Tiaki Wai

Hutt City Council successfully completed the transition of its drinking water, wastewater and stormwater services to Tiaki Wai, the new multi-council-owned water services organisation established to deliver water services across the Wellington region.

The transition marked one of the most significant organisational changes undertaken by Council in recent years. Council worked closely with regional partners, Mana Whenua, central government agencies and Tiaki Wai. This ensured the transfer of assets, debt, operations, staff, systems and service responsibilities was completed smoothly and in accordance with legislative requirements.

The establishment of Tiaki Wai is part of the Government's Local Water Done Well reforms and responds to the increasing challenges facing water infrastructure. These include ageing assets, growing regulatory requirements, climate resilience needs and the substantial investment required to maintain and upgrade networks. By joining with neighbouring councils through a larger regional organisation, Lower Hutt and the wider region are better positioned to access the scale, capability and long-term investment needed to deliver safe, reliable and sustainable water services.

Council remained focused on maintaining service continuity throughout the transition period while detailed planning and implementation work was undertaken behind the scenes. Council also worked alongside the Tiaki Wai establishment team to keep residents informed about what the changes would mean for service delivery, accountability and future investment.

The successful transition represents an important milestone for the city and the wider region. While responsibility for water services now sits with Tiaki Wai, Council will provide some support, particularly around billing and customer services, while Tiaki Wai completes setting up its own systems. Hutt City Council retains a key stewardship role through its ownership interests and ongoing governance arrangements. Council will continue to advocate for the needs and priorities of Lower Hutt residents and businesses as Tiaki Wai delivers its long-term programme of investment and service improvements.

The transition supports Council's commitment to ensuring future generations have access to resilient, high-quality water infrastructure while helping address the significant funding and affordability challenges facing local government.

Tō tātou rautaki
Our strategy

Our purpose is to make Te Awa Kairangi ki Tai Lower Hutt city a place where everyone thrives. To do this, we need a plan on how to get there. Our plan centres around three key priority areas and four ways to support how we deliver them.

We're working towards

Priority 1

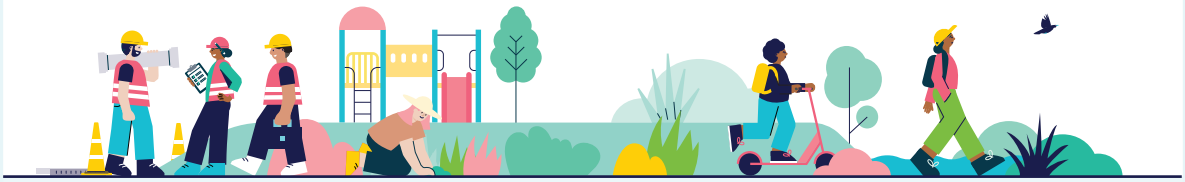
Providing future-fit infrastructure

Priority 2

Enabling a liveable city and vibrant neighbourhoods

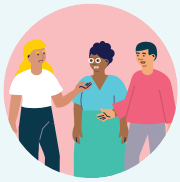
Priority 3

Supporting and enhancing the environment

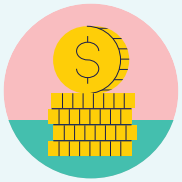


We are taking the next steps

1 In partnership with our communities



2 In a way that is financially sustainable



3 Taking climate change into account



All while promoting the wellbeing of all people.

Ngā mahi o te tau
Our year in review

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

46 of 79
key performance measures were achieved in 2025-26, compared with 49 in 2024-25

$530M
total net debt ($50M increase from 2024-25)

$5M
unfavourable against a net operating budget deficit of $17.6M

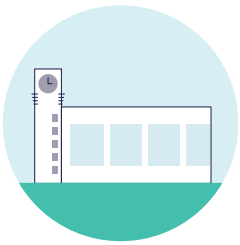
$157M
capex has been delivered for the year

$212M
total rates (excluding metered water supply rates) collected

Key highlights



- Whakatupu Ngaengae completed



- Target Operating Model adoption



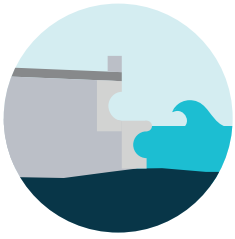
- Huia Pool reopened March 2026



- Payble rates platform launch



- Heavy Electric Vehicle charging hub at Silverstream Landfill



- Tupua Horo Nuku completed

Read about the highlights and case studies from the 2025–2026 year at **hutt.city/annualreport**

Tirohanga whānui
Overview

94%
of the Council vehicle fleet is electric

606,143
visits to pools

231,229
visits to museums

1,937,767
visits to neighbourhood hubs and libraries

259,784
digital library loans

9,298
dogs registered

56
Council/ committee meetings held

12
consultations and public engagements

52,943
calls answered by our Contact Centre staff



Awards

National recognition for AI innovation

Council's bold AI initiative, AI-Volution: Harnessing GenAI to Transform Local Government, was awarded the Te Tohu Auaha Hou | Innovation Award at the 2025 Spirit of Service Awards, hosted by the Public Service Commission. This award celebrates new technologies and approaches that are creating positive change for Aotearoa. AI-Volution demonstrates that the public sector can be agile, delivering faster services and better outcomes for our community through strategic use of generative AI.

Building Control team wins national training award

Hutt City Council's Building Control team has won the Training Commitment Award at the 2026 Building Officials Institute of New Zealand Excellence Awards.

ALGIM Awards success

Council staff won national leadership awards, and Council was a top 10 finalist in cybersecurity.

Taituarā Local Government Excellence Awards

Council's Tumuaki Māori, Kaanihi Butler-Hare, was awarded the 2026 Sheffield Emerging Leader of the Year Award.

Te Ngaengae Pool and Fitness Awards

- 2025 Wellington Architecture Awards, Winner
- 2025 New Zealand Property Industry Awards – Excellence, Tourism and Leisure Category
- 2025 Property Council People Awards – Winner, Judges Special Award
- 2025 New Zealand Sport and Recreation Awards – Winner, Environmental Leadership Award
- 2025 Building Nations Impact Awards - Winner, Decarbonising Infrastructure Award
- 2026 Commercial Projects Awards - Gold Award, Tourism and Leisure Category

Tō Tātou Rautaki Māori
Our Māori Strategy

Te Herenga Kairangi is Hutt City Council's rautaki Māori, Council's first ever Māori strategy. It sets the direction for how Council works alongside Mana Whenua and hapori Māori, so we can better serve the communities of Te Awa Kairangi ki Tai. Developed in partnership with Mana Whenua, it reflects a shared commitment to supporting Māori aspirations for the benefit of the whole community.

The name Te Herenga Kairangi draws from Te Awa Kairangi, the river that shapes our rohe and sustains life across the Hutt Valley. 'Te Herenga' speaks to binding and connection, linking past, present and future, while 'Kairangi' refers both to life-giving waters and to something esteemed. Together, they express an interwoven ambition to thrive.

Te Herenga Kairangi also provides a shared direction for planning, decision-making and delivery across Council, guiding how activity contributes to outcomes for Māori. As a living strategy, it continues to evolve over time, supporting a more consistent and connected approach to how Council works with and for Mana Whenua and the wider hapori Māori.

Ngā Tukunga Iho
Outcomes

Te Herenga Kairangi offers a clear view of how Council supports three key outcomes:

Strong and trusting relationships
Council works in partnership with Māori - strengthening relationships with Mana Whenua and hapori Māori, and ensuring engagement is meaningful, consistent and grounded in trust.

Holistic and economic wellbeing
Council activity supports Māori wellbeing across social, cultural, environmental and economic areas, coordinating efforts across services to respond to community needs.

A Te Ao Māori capable organisation
Council builds its capability to understand and apply Te Ao Māori, embedding Māori perspectives into everyday practice, policies and services so outcomes are sustained over time.

Hanganga anamata
Future-fit infrastructure

We are making significant investment in our infrastructure to ensure our community can move freely, access essential services, and fully enjoy our facilities. Over the last year, we have invested in water, road, and resilience projects to ensure the social, economic, and cultural wellbeing of our community is sustained and the health and safety of people, property, and the environment is protected.

Dashboard



4.16km pipes renewed



27.1 lane-km of road resurfaced
(approx. 86,557m2)
2025-26 season



5.7 lane-km of road rehabilitated
(approx. 23,873m2)
2025-26 season

He tāone ora, he hapori ngangahau
Enabling a liveable city and vibrant neighbourhoods

Over the last year we took the next steps in creating a city that promotes a high quality of life for everyone. Easy access to green spaces and community places is an important part of this. Our neighbourhood hubs are places to gather and connect and are central to creating vibrant communities.

Te hāpai me te whakaniko i te taiāo
Supporting and enhancing the environment

We need to look after our environment and manage our natural resources to ensure our city is more sustainable. This includes reducing our emissions and our waste, planting thousands of native trees and plants, and managing our green spaces to ensure they support the wellbeing of both people and indigenous plants and creatures.

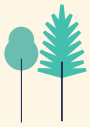
Dashboard



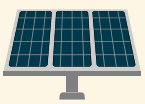
4,811 tonnes of recycling collected



22,445 tonnes of kerbside waste collected and sent to landfill



More than 10,000 native trees and plants planted



Eight organisations supported through the Low Carbon Acceleration Fund (up from five last year)



$123,231 distributed through the Community Climate Action Fund, supporting 20 projects

Whakauka ahumoni
Financial sustainability

We are committed to managing our finances responsibly so we can deliver the services and infrastructure our community needs today and in the future. Being accountable to residents and ratepayers for the management of our finances, both in the short and long term, is a key responsibility of Council. This section explains how we're spending ratepayer money, investing for long-term growth, and managing finances sustainability.

Being accountable to residents and ratepayers for the management of our finances, both in the short and long-term, is a key responsibility of Council. This section explains how we're spending ratepayer money, investing for long-term growth, and managing financial sustainability.

Mahere Pūtea - Financial Strategy

Council's Financial Strategy is based on important principles that guide our planning and decisions. 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 over time and ensuring that everyday costs are paid for by everyday income
- Delivering services effectively and efficiently
- Strengthening Council's financial position in the long term
- Maintaining the principle of "growth pays for growth"

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 10 Year Plan 2024–34, available on our website. It includes key strategic financial metrics, such as the limit on the amount of debt we can take on compared to revenue. It also forecasts debt levels and when we will balance our operating budget.

Investment in infrastructure

Te Awa Kairangi ki Tai Lower Hutt is a growing city, and this growth relies on resilient and future-ready infrastructure. Our transport and water networks, libraries, parks, and playgrounds play a vital role in supporting development and maintaining a high quality of life for residents. Many of our assets are ageing and need replacement. Council is focused on striking the right balance in its capital investments to support sustainable growth, manage community needs, and maintain affordability.

This year, we have made progress in improving the transport network, upgrading and future-proofing water services, protecting parks and reserves and renewing community facilities. In 2025–26, Council invested $157M in capital projects, compared with a budget of $256M in the Annual Plan. Including investment by Urban Plus Ltd (UPL), the total capital spend was higher than the previous year at $164M ($146M in 2024–25).

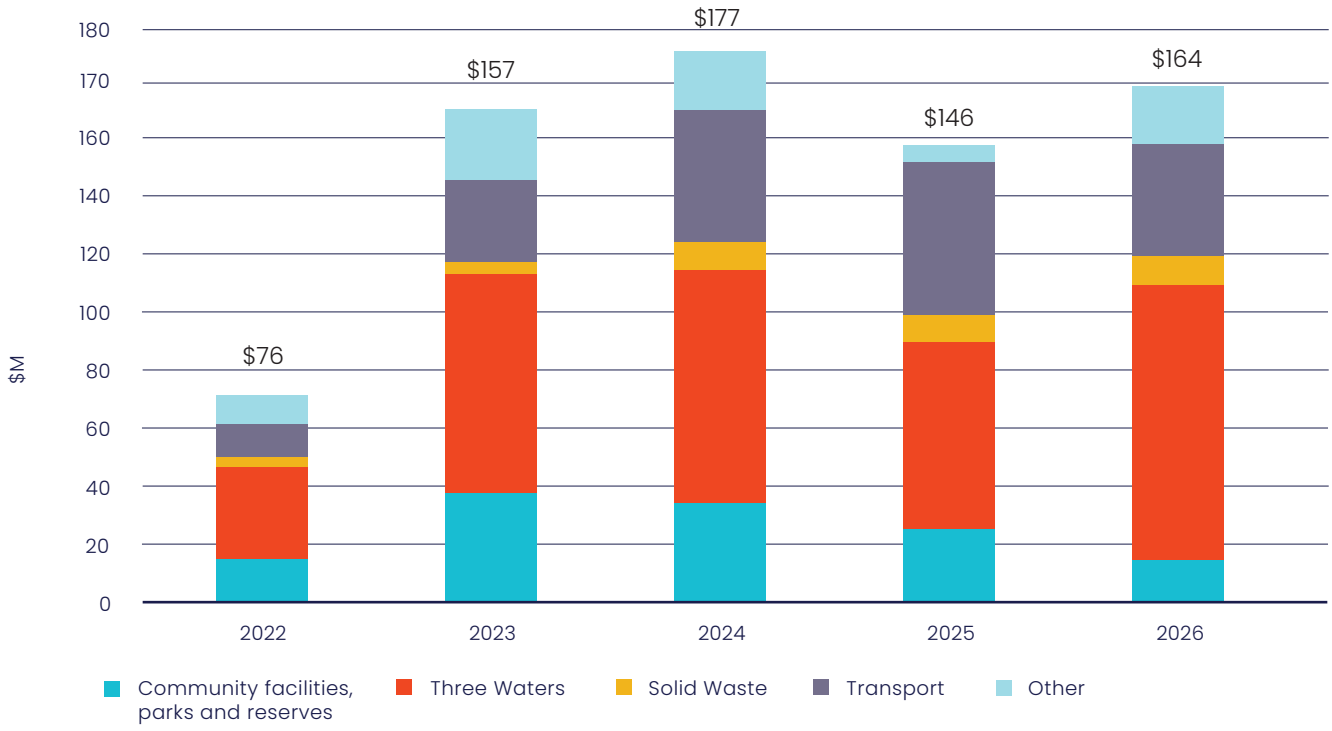
While the Annual Plan anticipated a continued ramp-up in investment, delivery in 2025–26* was impacted by some delays in NZ Transport Agency Waka Kotahi funding approvals, programme reviews, reprioritisations, rescheduling and deferrals related to internal and external resourcing constraints.

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

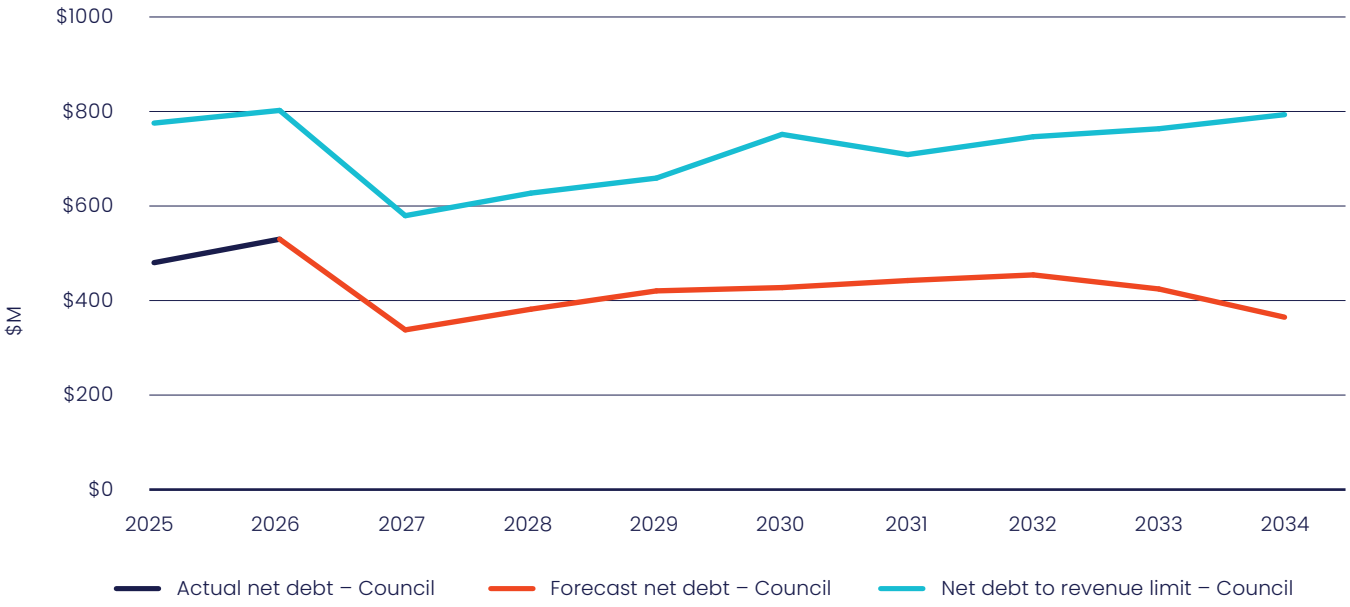
- $87M on three waters infrastructure against a budget of $115M. This includes $75M for a range of renewal projects.
- $35M on transport projects includes $12M for transport renewals and $23M for capital improvement and growth projects. These will enhance connectivity and promote sustainable transport options, with projects such as Tupua Horo Nuku (Eastern Bays shared path), Pavement treatment, resurfacing and replacement, and the Micromobility programme.
- $9.1M for construction of the next phase of the Silverstream Landfill.
- $7.7M on Te Wai Takamori o Te Awa Kairangi – RiverLink.
- $6.1M for the Huia Pool renewal project.
- $5.7M on parks and reserves projects includes reserve development projects, Percy Scenic Reserve boardwalk and parks hard surfaces renewals.

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

Graph 1: Group capital investment five-year trend



Graph 2: Council net debt



Prudent management of debt

Council takes a responsible and strategic approach to managing debt. We use debt to fund long-term capital investments, allowing the cost of major infrastructure to be spread across the generations who will benefit from those assets. This approach ensures fairness and supports intergenerational equity. Our debt management is guided by a strict financial policy, which limits net debt to no more than 250 percent of annual revenue. In 2025–26, our net debt rose by $50M to $530M, which is 165 percent of revenue. This was lower than planned debt of $624M, mainly due to delayed capital investment.

Our debt is expected to peak at around 159 percent of revenue in the next five years as we continue major infrastructure investments per our most recent Annual Plan 2026-27. Transfer of water services to Tiaki Wai has reduced this debt forecast significantly from Annual Plan 2025-26 which forecasted debt peaking at 222 percent.

Credit rating

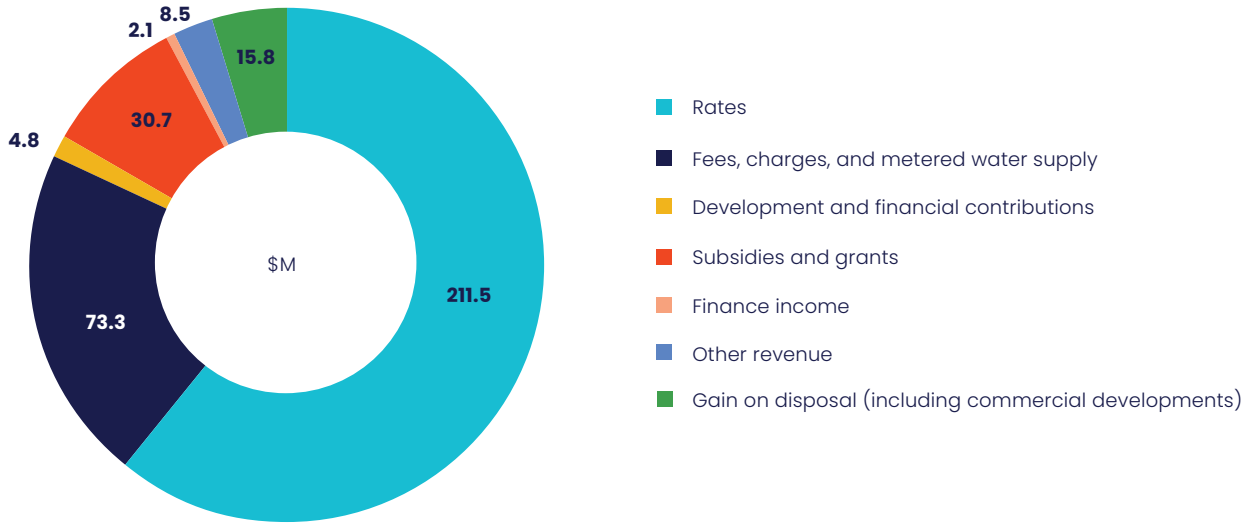
In October 2026, Standard and Poor's Credit Rating Agency (S&P) will provide an update on our credit rating. All factors within Council control have not changed significantly since the previous review in October 2025 when S&P issued a rating of A+ with a Stable outlook. That rating factored in the then imminent water services transition to a new organisation.

We have a large capital investment programme which is largely funded by debt. A lower S&P credit rating would mean higher borrowing costs for debt in the future, which in turn means higher costs for ratepayers. Through the Long Term Plan 2027-2037 process there will be an opportunity to review and update investment plans and priorities, while considering the impacts for ratepayers.

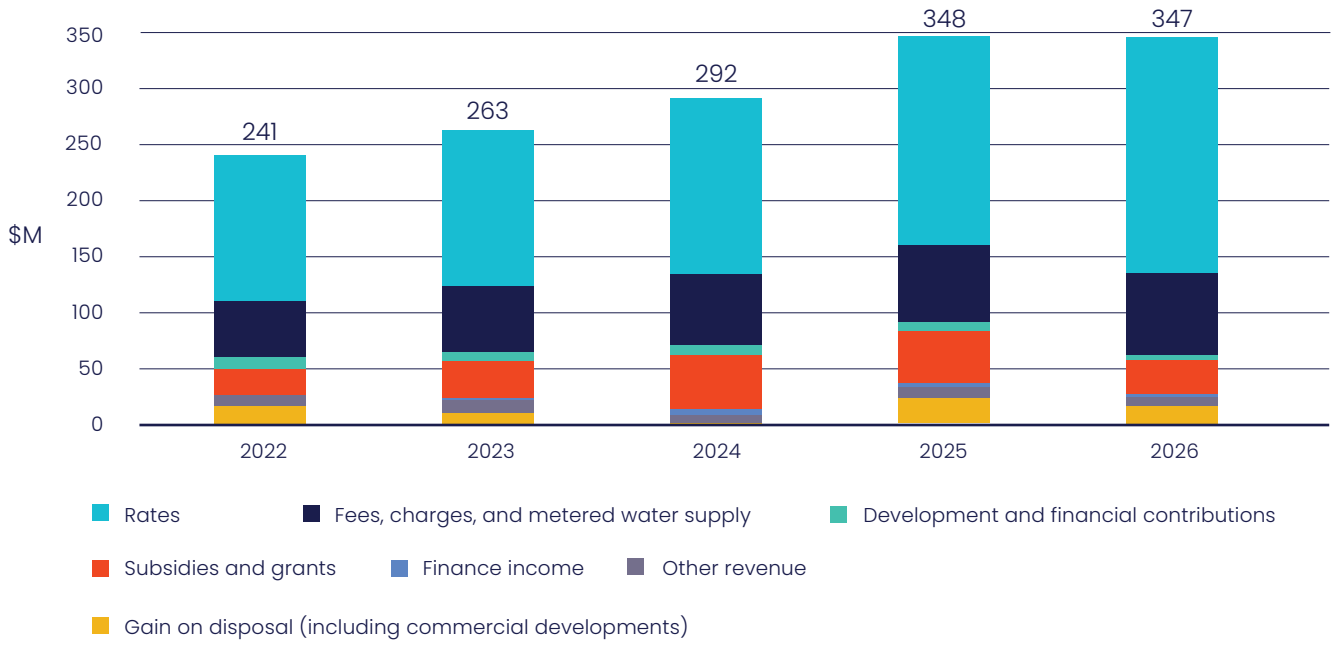
Revenue

We fund our services and operations through a mix of rates and non-rates revenue. Like most councils, rates are our main source of funding (see Graph 3). In 2025-26, total group revenue was $347M (excluding revenue from the revaluation of financial instruments) and is consistent with 2024-25 (see Graph 4). Rates revenue (including rates penalties income) made up $212M, or over half of our total revenue. This reflects an increase of $25M from the previous year, following the rates increase approved by Council to help fund its activities. Subsidies and grants revenue was $16M lower than budget. This shortfall is primarily due to reprioritisation and deferral of Council's capital programmes resulting in decreased subsidy and grant revenue. Development and financial contributions were $6M lower than budget which reflects a slowdown in development. Fees and user charges were $4M lower than the budget largely reflecting lower activity volumes than assumed in areas such as pools, consents and landfill.

Graph 3: Group revenue by source in 2025–26



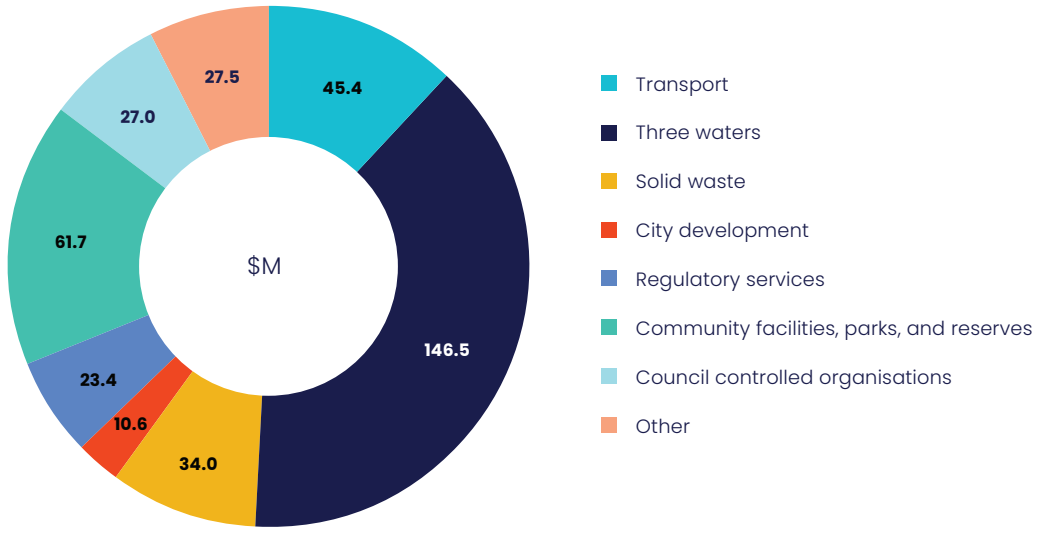
Graph 4: Group five-year revenue trend (excluding gains on the revaluation of financial instruments)



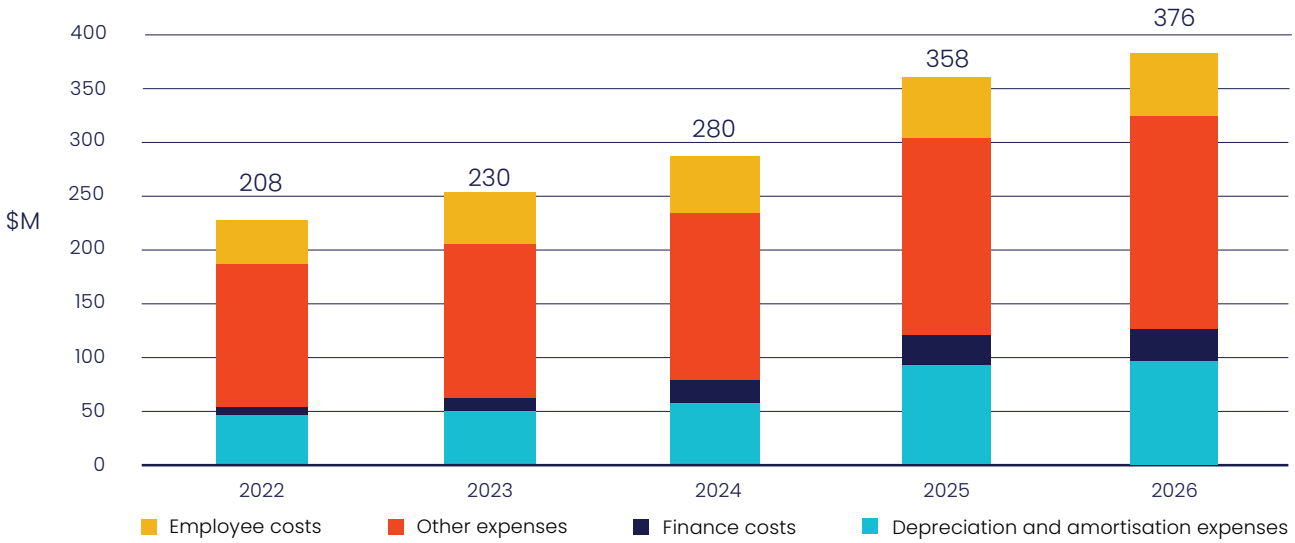
Expenditure

Our operating expenditure (excluding losses on revaluation of financial instruments) covers the costs of delivering our day-to-day services, including paying our staff, maintaining our assets, and providing a wide range of community services and support. For 2025-26, total group costs were $376M. Graphs 5 and 6 illustrate how spending is distributed across different services and the spending trend over the past five years. Council's operating costs were below the budget by $18.6M. This underspend is primarily due to lower depreciation costs of $12M driven by lower asset capitalisation and lower than planned spend in other operating and staffing costs across a range of services.

Graph 5: Group expenditure by activity in 2025–26



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



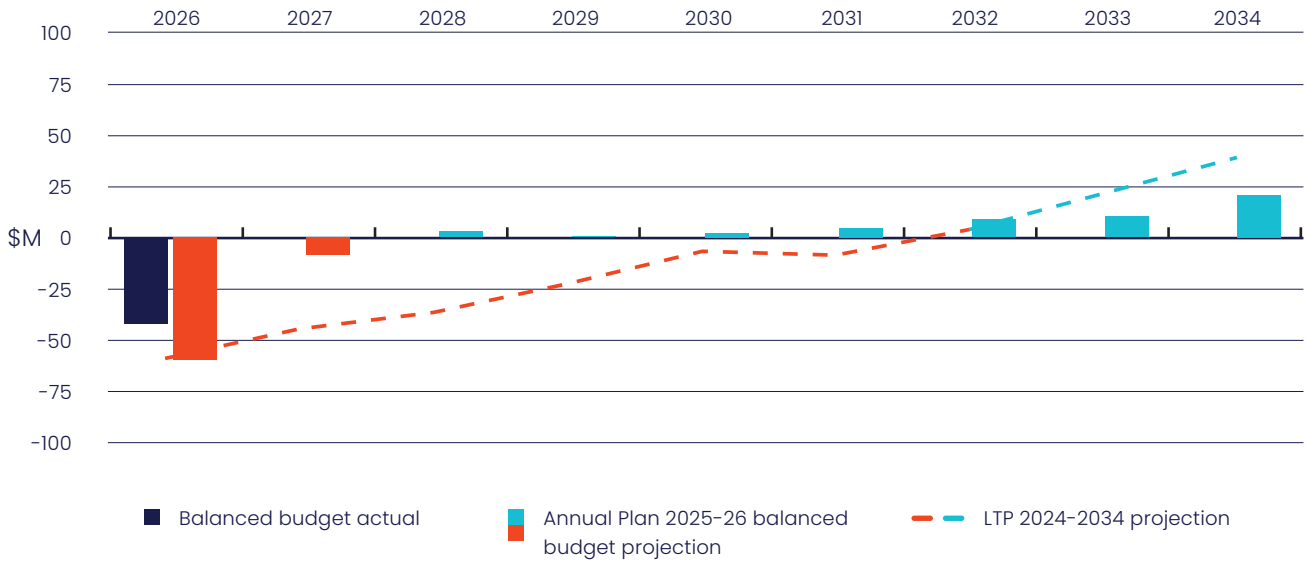
Balanced operating budget

An important part of our Financial Strategy is maintaining a balanced operating budget. This is calculated differently to an accounting deficit or surplus as described in our Financial Strategy. A balanced operating budget means that our everyday costs are covered by our everyday income, ensuring that operating expenses are paid for by operating revenue. We want to avoid taking on debt to cover everyday expenses, and reserve it for long term infrastructure investments instead.

Our 10 Year Plan 2024-2034 outlines our method for assessing whether we achieve a balanced operating budget. Achieving a balanced operating budget is essential for the long-term financial sustainability of Council services, but it must be balanced against the significant capital investment requirements. To support affordability for ratepayers, Council has agreed to gradually move towards a balanced operating budget over several years.

According to the latest Annual Plan 2026-27, we are forecasting to achieve a balanced operating budget by 2027-28. In 2025-26, our balanced operating budget result was a deficit of $44M, which was $17M better than the budgeted deficit of $61M. This is linked mainly to reduced capital and operating spend. Graph 7 illustrates the actual trend to date and the future forecast.

Graph 7: Council actual and projected balanced budget outlook



*In 2025-26 Council did not meet the legislative balanced budget requirement as defined in s100 of the Local Government Act 2002. Annual Plan 2026-27 projects the legislative balanced budget will be met from 2026-27. The legislative calculation includes capital grants and subsidies which can only be applied to capital projects and cannot be used to fund everyday operational costs over the period. As Council receives significant capital grants and subsidies, the legislative calculation makes it appear that there is more income available to meet everyday operational costs than there actually is. Therefore, we have excluded capital improvement subsidies and capital grants from the graph to only show the projected operating balanced budget for everyday operational income and costs.

2 Tātaritanga Our performance

Ngā whakatau me ngā whakapae o te kawe ratonga Service performance judgements and assumptions

PBE FRS 48 Service Performance Reporting Standard introduction

Council is responsible for democratic and effective decision-making in Te Awa Kairangi ki Tai Lower Hutt. Under the Local Government Act 2002, Council is also required to promote the social, economic, environmental and cultural wellbeing of current and future communities.

How Council selects performance measures

Council's 10 Year Plan sets out the levels of service and performance measures used to assess progress across its activities. These measures help Council evaluate the services it provides, assess whether intended outcomes are being achieved and report transparently to the community each year.

When selecting performance measures, Council considers whether they align with the intended levels of service and provide meaningful information about the quality, effectiveness and accessibility of Council services.

Council seeks input from residents, ratepayers, community boards, Mana Whenua and other community groups through the 10 Year Plan and Annual Plan consultation processes, annual resident satisfaction surveys and other engagement activities.

The Local Government Act 2002 also provides for mandatory non-financial performance measures for specified local authority activities. These measures support consistency and comparability between councils. Council also takes account of guidance from the Department of Internal Affairs and other relevant regulatory bodies when determining how performance should be measured and reported, including statutory measures relating to activities such as building and resource consents.

Council's performance measures help track progress toward the objectives and levels of service set out in the 10 Year Plan. The results are presented in the Our Performance section of this Annual Report.

Resident satisfaction surveys

The Resident Satisfaction Survey (RSS) is undertaken annually by Public Voice on behalf of Hutt City Council to understand how residents of Te Awa Kairangi ki Tai Lower Hutt view Council's services, facilities, spaces and decision-making processes. It provides an independent perspective on resident experiences and expectations and complements Council's other service performance information. The survey results represent a snapshot of residents' perceptions at a point in time and help identify trends and areas where services and engagement could be improved.

The 2026 survey collected feedback from residents aged 16 years and over, using a mixed-method approach designed to support broad and inclusive participation. The survey was available online through shared links and social media and was sent directly to more than 3,300 members of the Hutt Views Citizens' Panel. Paper surveys were also available at Council hubs, libraries and community events, including Te Rā o te Raukura and the Petone Fair.

Targeted engagement was undertaken to strengthen participation by Māori, rangatahi, migrant and ethnic communities. This included facilitated focus group hui and partnerships with organisations including the Hutt Multicultural Society, Connected Communities and English-language providers. The survey was also promoted through community networks, local events and multilingual video content to support participation by residents who may not use Council's mainstream or digital communication channels.

The survey was conducted between 31 January and 6 March 2026. More than 1,900 responses were received, of which 1,745 complete or partially complete responses were included in the final

analysis, compared with 1,455 valid responses in 2025. This included 193 paper responses collected through community events, an English-language school and Council hubs and libraries. The final sample represented communities across Lower Hutt and provides a margin of error of plus or minus 2.33 percent at the 95 percent confidence level.

Results are reported as the proportion of respondents who selected the two positive response categories, such as "satisfied" or "very satisfied". "Don't know" responses are generally excluded, meaning results reflect the views of respondents who expressed an opinion on the matter. Year-on-year movements of two to three percentage points are not considered statistically significant and are treated as stable.

The findings help Council understand residents' experiences, improve its practices and services, and ensure community perspectives continue to inform planning and decision-making.

How Council report on performance measures and results

Year-end results for Council's performance measures are reported in the Annual Report. Results are presented under the key performance indicators heading for each activity area, together with comparative results from the previous year to show changes and trends over time.

Where a performance target has not been met, or where there is a significant variance from the target or the previous year, an explanation is provided. Commentary may include relevant operational factors, external influences, actions undertaken during the year and work planned to improve future performance.

External implications for statements about performance

PBE FRS 48 requires Council to present clear, meaningful and appropriate service performance information that supports accountability and informed decision-making.

Council's performance can be influenced by factors outside its direct control. These may include legislative and government policy changes, severe weather and emergency events, economic conditions, workforce and contractor availability, supply-chain constraints, partner dependencies and changes in community demand or expectations.

The Local Government Act 2002 requires the Secretary for Local Government to specify mandatory non-financial performance measures for certain local authority activities. These include water supply, sewerage, stormwater drainage, flood protection, and roads and footpaths. Councils report against the measures that apply to the activities they provide.

Council uses non-financial key performance indicators established through the 10 Year Plan 2024-34. These measures reflect legislative requirements, Council priorities, intended levels of service and areas where Council seeks to improve performance.

PBE FRS 48 requires service performance information to be presented clearly and meaningfully alongside the financial statements. It also requires Council to consider the qualitative characteristics and constraints that affect the selection, measurement and presentation of service performance information. Reporting consistency and disclosure of significant judgements are important to helping readers understand Council's results.

Disclosure of key judgements for 2025-26

Council discloses the judgements that have the most significant effect on the selection, measurement and reporting of service performance information. These disclosures focus on matters that are most relevant to a reader's understanding of the reported results and support transparency and accountability.

Council established 77 key performance indicators through the 10 Year Plan 2024-34. These measures form the basis for reporting service performance in this Annual Report, alongside other non-financial information where this provides useful context or supports a clearer understanding of Council's performance.

A key judgement for 2025-26 was the presentation of performance information for the Three Waters activities, given the transfer of drinking water, wastewater and stormwater services to Tiaki Wai from 1 July 2026. Council has reported against the Three Waters performance measures for the full 2025-26 financial year because Council remained responsible for these activities throughout the reporting period.

From 2026-27, Council will no longer report these activities as part of its own service performance information. Further information about the transfer of water services to Tiaki Wai is provided in Note 31 of the financial statements.

Council also applies estimation and measurement judgements in several areas. This includes greenhouse gas emissions, where emission factors, source information, methodologies and assumptions may not be final at the reporting date and may continue to evolve.

When reporting performance, Council applies specific rules and makes considered decisions about what information to disclose. These decisions are

guided by how well the information reflects Council's goals, strategies and intended levels of service, its consistency and comparability across reporting periods, and the degree of judgement involved in measurement and presentation.

Other considerations include the significance and usefulness of the information, the cost and availability of reliable data, legislative or regulatory requirements and feedback received from users of the Annual Report.

Statement of compliance

This Annual Report has been prepared in accordance with the requirements of the Local Government Act 2002, which includes the requirement to comply with New Zealand generally accepted accounting practice.

The Hutt City Council service performance information set out on pages 28-80 has been prepared in accordance with Tier 1 Public Benefit Entity financial reporting standards and complies with PBE FRS 48 Service Performance Reporting.

Whakarāpopoto tātaritanga
Our performance at a glance

46 were achieved

32 did not achieve the target

1 had data unavailable

Water services

Council's drinking water supply fully met the protozoal and microbiological monitoring requirements. Bacterial requirements were met at three of the four water treatment plants managed by Greater Wellington Regional Council. Response and resolution targets for urgent and non-urgent callouts were achieved, and average consumption remained within target at 383 litres per resident per day. However, complaints increased to 33.5 per 1,000 connections and resident satisfaction fell to 72 percent, reflecting concerns about ageing infrastructure, leaks, outages, pressure and communication. Estimated water loss remained above target at 30 percent, while 4.1 kilometres of three waters infrastructure was renewed.

In wastewater, dry-weather overflows and complaints remained within target at 2.8 and 29.9 per 1,000 connections respectively. Resolution times met target at six hours, but attendance averaged 116 minutes against a 90-minute target. Resident satisfaction decreased to 63 percent, with concerns about ageing infrastructure, discharges, odour and environmental impacts. Three infringement notices were issued in relation to non-compliant discharges from the Seaview Wastewater Treatment Plant.

Stormwater water-quality and resource-consent targets were fully achieved, with monitored recreational beaches suitable for use throughout the bathing season and no enforcement action taken. However, complaints increased to 26 per 1,000 connections, largely due to the April 2026 severe weather event, while resident satisfaction fell to 50 percent. Feedback highlighted blocked drains, localised flooding and the need for more regular maintenance.

Waste and resource recovery

Council maintained full compliance with its landfill resource consent requirements in 2025-26, with no resource consent-related infringement notices received from Greater Wellington Regional Council.

Refuse and recycling measures were below target. Illegal dumping complaints reduced from 214 in 2024-25 to 197 but remained slightly above the target of 192. Kerbside waste to landfill reduced slightly to an estimated 0.196 tonnes per person, while kerbside recycling collected decreased to 4,812 tonnes and recycling contamination remained above target at 13 percent.

Resident satisfaction with rubbish and recycling services was 77 percent, below the 85 percent target and broadly consistent with 78 percent in 2024-25. Feedback highlighted missed or incomplete collections, contractor handling and bin placement, collection frequency of the green waste service, and the need for clearer recycling information and more flexible service options.

Sustainability and resilience

Council continued to progress its emissions reduction work in 2025-26. Emissions from Council-owned fossil fuel vehicles reduced to 35 tCO2-e, below the target of 49 tCO2-e and down from 67 tCO2-e in 2024-25. This reflects the continued transition of Council's fleet to electric vehicles, with 94 percent of the fleet electric at year end.

Emissions from Council-owned facilities were 2,038tCO2-e, above the target of 1,867 tCO2-e, but slightly lower than 2,443 tCO2-e in 2024-25. Council continued its gas phase-out work, although emissions were affected by unexpected high gas consumption at Wainuiomata Pool and the estimated emissions intensity for grid electricity. Some emissions factors will not be confirmed until the end of 2026, so the facilities emissions result remains provisional.

Emergency management capability remained above target, with Emergency Operations Centre resourcing levels exceeding Wellington Regional Emergency Management Office competency targets across advanced, intermediate and foundation levels.

Regulatory services

Regulatory Services maintained strong performance across several core functions in 2025-26. Environmental health targets were met or exceeded, including 100 percent verification of food premises and 100 percent inspection of high-risk liquor premises. Noise complaint response times also exceeded target, with 91 percent investigated within 45 minutes.

Building consent performance continued to improve, reaching 95 percent, up from 82 percent in 2024-25. Code of compliance certificates were issued within statutory timeframes for 95 percent of applications, while non-notified resource consents achieved 95 percent. Both measures remained below the 100 percent target, reflecting the impact of system transition issues, complex applications, and process pressures during the year.

Animal management exceeded target, with 39 community education programmes delivered against the target of more than 20 visits annually. Education remains an important part of Council's animal management approach, although school uptake has reduced in recent years.

Roads and transport

Road condition and renewal performance remained strong in 2025-26. The road condition index was maintained at 4.1, average ride quality improved to 74 percent, 2.8 percent of the sealed local road network was resurfaced, and 95 percent of footpaths met the required condition standard. Customer responsiveness remained below target, with 41 percent of eligible road and footpath requests responded to within seven days. This was the first year the measure was reported using the new Dynamics Customer Relationship Management system, and work is underway to improve reporting and response times.

Walking, cycling and transport infrastructure

Council added 3.8km of shared pathways and cycle lanes and renewed 2.7km of footpaths during the year, meeting both targets. Contract management performance also remained strong, with all 12 contracts audited and 90 percent meeting contractual obligations. Resident satisfaction remained below target for footpaths, on-road cycleways and shared paths, with feedback highlighting accessibility, maintenance, connectivity and safety concerns.

Parking and access

Satisfaction with parking availability when accessing services and facilities was 46 percent, below the 75 percent target and broadly consistent with 45 percent in 2024-25. Feedback highlighted concerns about parking availability and cost, particularly in central Lower Hutt and Petone, as well as the effects of roadworks and wider transport changes.

Community services

Community partnering and support delivered strong results across hubs, libraries and housing services in 2025-26. While some hubs did not meet their visitor targets, this was due to reduced opening hours at Wainuiomata and Kōraunui Stokes Valley, Kōraunui's four-month closure following storm damage in February, and Petone Library's relocation to Jackson Street. Despite these disruptions resident satisfaction reached 89 percent, and activity levels exceeded target across community wellbeing, loans, digital literacy and early years literacy programmes. Neighbourhood Support membership also continued to grow, reaching 376 households.

Homelessness support services also exceeded their annual targets, with 82 households assisted into more settled accommodation, 136 households provided with legal housing advice and advocacy, and 87 households supported through the homelessness prevention programme.

Parks and recreation

Council maintained strong access to parks, reserves and sports facilities during 2025-26. Artificial turf fields recorded no closure days, while grass sports fields were closed for 15 days, above the target of 10 days, largely due to wet weather and saturated field conditions following significant rainfall events.

Resident satisfaction remained strong for sports fields and parks and reserves, meeting the 80 percent targets at 80 percent and 83 percent respectively. Satisfaction with playgrounds was 77 percent, slightly below target and broadly consistent with 79 percent in 2024-25. Feedback highlighted opportunities to improve playground equipment, fencing and shade, and Council's playground renewal and improvement programme is continuing.

Recreation and culture

Council delivered strong performance across recreation and cultural services in 2025-26. All six pools and both museums met their visitor targets, while museums delivered 263 arts and culture programmes, above the target of 200. Resident satisfaction also remained high, reaching 81 percent for pools and 91 percent for museums.

Fitness suite membership was below target at 1,892 members, compared with the target of 2,469. Membership was affected by increased competition, pricing pressures, limited promotion and staffing constraints, although numbers began to improve toward the end of the year as all Council facilities returned to full operation.

City governance

Council met its target, with 100 percent of meeting and committee agendas made publicly available within statutory timeframes.

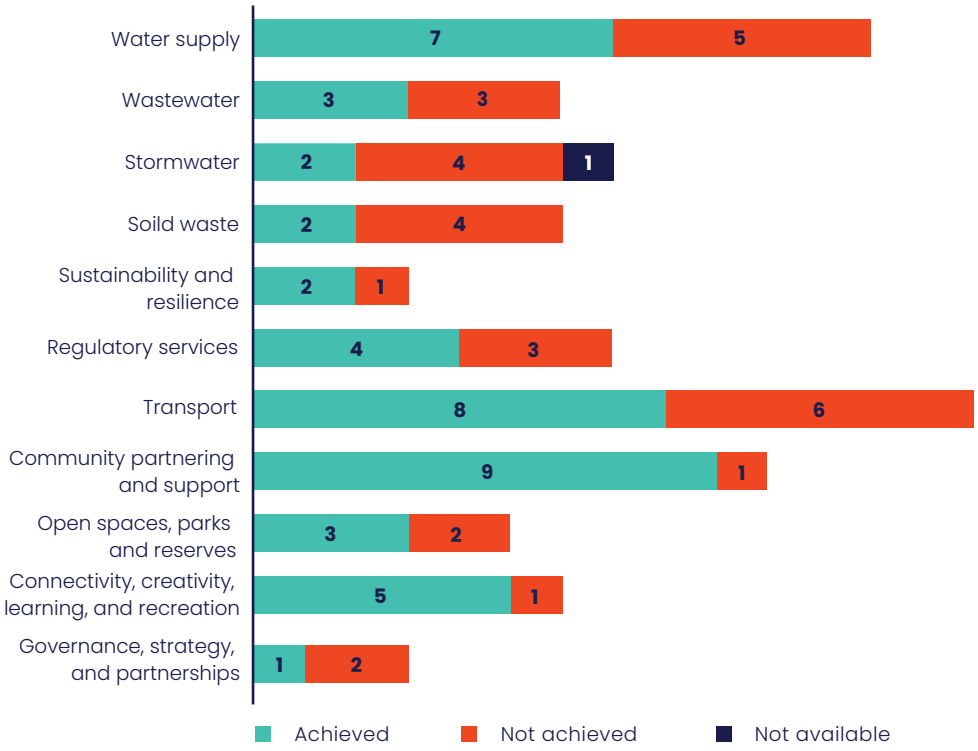
Both resident satisfaction measures remained below the 80 percent target. Satisfaction with access to Council's decision-making processes decreased from 44 percent in 2024–25 to 39 percent. However, the proportion of residents who felt they had enough information to participate in democratic processes increased from 47 percent to 51 percent.

Residents raised concerns about transparency, meaningful engagement, access to information, and whether Council considers community feedback when making final decisions. In December 2025, Council adopted Te Whiringa, its Engagement Framework, to strengthen its approach to community engagement.

Conclusion

In 2025–26, Council delivered effective results across a wide range of services, including regulatory services, transport, community services, parks and recreation, and recreation and culture. Council also made progress in reducing vehicle-fleet emissions, maintained resilient emergency management capability, achieved full compliance with landfill resource consent requirements, and continued to invest in essential infrastructure. While some challenges remained, including aspects of water management, waste and recycling, facility emissions, customer response times, parking availability and resident satisfaction, these results provide a clear focus for further improvement. Looking ahead, Council will build on areas of strong performance and continue to invest in infrastructure, strengthen communication and community engagement, and advance sustainability initiatives, with the Long Term Plan 2024–34 key performance indicators supporting greater accountability, transparency and ongoing improvement.

KPI measure achievement by activity areas:



Oranga taiao
Environmental wellbeing

Ngā puna wai
Water supply

Statement of service performance

What we do

For the 2025-26 financial year, Council was responsible for providing access to safe and reliable drinking water for the community, with services delivered through Wellington Water Limited.

Greater Wellington Regional Council oversaw the extraction, treatment, and bulk water supply that fed the city's water supply system.

From 1 July 2026, responsibility for drinking water services transferred to Tiaki Wai, the new multi-council water services organisation established to deliver water services across the Wellington region. As a result, Council will no longer report against water supply performance measures from 2026-27 onwards.

Further information on the transfer of water services to Tiaki Wai is provided in Note 31 of the financial statements.

Why we do it

During 2025-26, Council's delivery of drinking water services supported the health, safety, and wellbeing of the community by:

- providing access to safe and reliable drinking water
- supporting community safety, including through the water supply system's firefighting capability
- supporting residential, commercial, and industrial activity across the city.

The performance information in this section reports on Council's water supply activity for the 2025-26 financial year, prior to the transfer of drinking water services to Tiaki Wai on 1 July 2026.

Key performance indicators
Water supply

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Standards **We want to ensure our community has access to a safe, clean, reliable water supply**						
The extent to which the local authority's drinking water supply complies with the T3 bacterial rules (previously part 4 of the drinking-water standards -bacteria compliance criteria)[1,2,3]	All met (100%)	Non-compliant	The target was not met for all drinking water supplied. The results are: Te Mārua – All met (100%) Wainuiomata – All met (100%) Gear Island – All met (100%) Waterloo – Partially met (91.67%)	The target was not met for all drinking water supplied. The results are: Te Mārua – All met (100%) Wainuiomata – All met (100%) Gear Island – All met (100%) Waterloo – Partially met (91.67%)	✗	The Waterloo Water Treatment Plant remains non-compliant with the relevant treatment rules due to insufficient contact time with chlorine for approximately 800 households in Lower Hutt, closest to the Plant. Projects underway to allow closure of cross connections which once complete will achieve 100% compliance.
The extent to which the local authority's drinking water supply complies with T3 Protozoal Rules (previously part 5 of the drinking water standards - protozoal compliance criteria) [1,2,3]	All met (100%)	Non-compliant	The target was met for all drinking water supplied. The results are: Te Mārua – All met (100%) Wainuiomata –All met (100%) Gear Island – All met (100%) Waterloo – All met (100%)	The target was met for all drinking water supplied. The results are: Te Mārua – All met (100%) Wainuiomata –All met (100%) Gear Island – All met (100%) Waterloo – All met (100%)	✓	Wellington Water reports that Council's drinking water network met all T3 Protozoal Rules requirements for quarter four. This result is provisional and remains subject to final year-end confirmation.

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
The extent to which the local authority's drinking water supply complies with D3.29 microbiological monitoring rule[1,2,3]	All met (100%)	New measure 2024-25	All met 100%	All met 100%	✓	Wellington Water reports that Council's drinking water network met all D3 microbiological monitoring requirements for quarter four. This result is provisional and remains subject to final year-end confirmation.
Number of complaints received about water clarity, taste, odour, pressure, flow and continuity of supply per 1,000 connections.	≤ 20 complaints per 1,000 connections	31.7 complaints per 1,000 connections	26.2 complaints per 1,000 connections	33.5 complaints per 1,000 connections	✗	Target not met. The volume of complaints is generally tied to both network condition and long-term investment. Adverse weather events contributed to the increase in customer complaints. With many water assets near, or at the end of their operational lives, we can expect to see complaints continue to exceed target.
Residents' satisfaction with the water supply service they receive.	≥ 90%	57%	76%	72%	✗	Target not met. Satisfaction with the water supply service was 72%, below the target of 90% and down from 76% in 2024-25. Resident feedback included concerns about water taste and odour, leaking pipes, outages, low pressure, repair times and communication during disruptions.
Where the local authority attends a callout in response to a fault or unplanned interruption to its networked reticulation system, the following median response times are measured						
Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	101 mins	46 mins	63 mins	✓	Target met.
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	4.6 hours	2.6 hours	3.3 hours	✓	Target met.
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	191 hours	28 hours	47 hours	✓	Target met. Response times increased from 28 hours in 2024/25 to 47 hours in 2025/26, although performance remained within target. Targeted council funding and a strong focus on backlog reduction supported faster response times in 2024/25. In 2025/26, normalised funding contributed to an increase in the backlog and longer 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	16 working days	3 working days	4 working days	✓	Target met.

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
We need to ensure we have a sustainable water supply for the future						
Average drinking water consumption per resident per day.	≤ 385 litres	422 litres	374 litres	383 litres	✓	Target met.
Percentage of real water loss from networked reticulation system.	≤ 20%	35%	30%	30%	×	Target not met. Estimated real water loss from the reticulated network was 30% in 2025-26, above the target of 20% and unchanged from 2024-25. Water loss remains a significant component of overall demand, despite comparatively strong investment in leak detection and water loss management. Sustained reductions will require continued active leakage control, targeted renewals and longer-term investment in the network.
Kilometres of renewals for three water infrastructure	Hold or increase on previous year	New measure 2024-25	9.4km	4.1km	×	Target not met. A total of 4.1km of three waters infrastructure was renewed in 2025-26, below the target of 9.4 kilometres. Council delivered 4.1km of pipe renewals across 12 projects, representing 37.7% of total regional delivery. Work focused predominantly on potable water renewals, which accounted for 78.9% of Council's programme and made this the highest-performing council area for potable water renewals during the year.

1. Compliance with the Water Services (Drinking Water Standards for New Zealand) Regulations 2022 and Drinking Water Quality Assurance Rules (DWQAR) 2022
2. Department of Internal Affairs (DIA) mandatory measure, which was announced as part of the DIA Non-Financial Performance Measure Rules 2024, with effect from 21 August 2024. Wellington Water Limited agreed to measure this key performance indicator from the beginning of the financial year to provide performance for a full financial year. While this measure is new for the 2024-25 financial year, water quality in the 2023-24 financial year was measured against the same bacteriological, protozoal and microbiological rules in the DWQAR 2022; therefore, the current and previous years' performance outcomes are comparable.
3. Water Services Authority (Taumata Arowai) changed methodology for calculating drinking water safety performance measures, which requires the use of the DWQAR aggregate compliance rate methodology. This replaces the previous binary compliant/non-compliant rating with a four-step scale: 'All met' (100%), 'almost met' (95–99%), 'partially met' (1–94%), and 'none met' (0%). Because of this change in methodology, results for 2024-25 are not directly comparable with those reported in prior years.

Prospective statement of comprehensive revenue and expense
Water supply

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	6,010	6,828	6,682	7,024	6,127	(897)
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	1,822	1,965	3,138	2,868	1,509	(1,358)
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	127	449	129	129	360	231
Other revenue	-	-	-	-	-	-
Total revenue	**7,959**	**9,242**	**9,949**	**10,021**	**7,997**	**(2,024)**
Expenditure						
Employee costs	-	48	-	-	327	(327)
Operating costs	34,545	32,752	36,171	42,907	39,964	2,944
Support costs	588	594	625	561	583	(22)
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	-	-
Finance cost	3,641	4,750	4,287	6,129	5,626	503
Depreciation	8,454	14,878	9,334	17,505	15,823	1,682
Total expenditure	**47,228**	**53,022**	**50,417**	**67,102**	**62,322**	**4,780**
Deficit before tax	**(39,269)**	**(43,780)**	**(40,468)**	**(57,081)**	**(54,326)**	**2,755**

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Wellington Water Limited (WWL) managed, maintained and operated the Water Supply activity on behalf of Council under a management services agreement. Net operating position is favourable to budget mainly due to lower spend on network monitoring and lower depreciation relating to reduced asset capitalisation. This is partly offset by lower development contributions and lower metered water revenue.

Capital projects acquistions and renewals

Water supply

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to meet additional demand			
Network upgrades WS growth	335	-	335
Reservoir upgrades WS growth	3,481	1,115	2,366
Capital to improve level of service			
Critical pipelines seismic upgrade	-	6	(6)
Distribution pipe model development	67	158	(91)
Network upgrade WS	792	371	420
Reservoir upgrades WS	20	5	15
Water resilience	1,786	334	1,451
Universal water meters	7,551	-	7,551
Capital to replace existing assets			
Reactive network renewals WS	2,985	3,629	(643)
Reactive pump station renewals	233	362	(129)
Reactive reservoir renewals	111	75	36
Control systems renewals WS	34	2	32
Network renewals WS	10,750	12,346	(1,596)
	28,146	**18,405**	**9,741**

Significant capital variations from Annual Plan

Wellington Water Limited (WWL) managed, maintained and operated the planning and delivery of the Water Supply capital programme on behalf of Council under a management services agreement. WWL were tasked with completing a large programme of capital works. The underspend relates mainly to the deferral of water meters and Reservoir Upgrades, partly offset by Network renewal spend. The programme of work and budgets were revised in line with Stage 3 advice from WWL and approved by Council in December 2025.

Waiparu
Wastewater

Statement of service performance

What we do

For the 2025-26 financial year, Council was responsible for wastewater services, with services delivered through Wellington Water Limited. This included collecting, treating, and responsibly disposing of wastewater to support public health, environmental protection, and the growth and development of the city.

Council's wastewater network managed the flow of household and commercial wastewater to the Seaview Wastewater Treatment Plant, before treated wastewater was discharged into Cook Strait at the Pencarrow outfall.

From 1 July 2026, responsibility for wastewater services transferred to Tiaki Wai, the new multi-council water services organisation established to deliver water services across the Wellington region. As a result, Council will no longer report against wastewater performance measures from 2026-27 onwards.

Further information on the transfer of water services to Tiaki Wai is provided in Note 31 of the financial statements.

Why we do it

During 2025-26, Council's delivery of wastewater services supported the health, safety, and wellbeing of the community by:

- collecting and managing wastewater safely and reliably
- supporting public health and environmental protection
- supporting residential, commercial, and industrial activity across the city
- helping protect the natural environment through responsible wastewater treatment and disposal.

Key performance indicators

Wastewater

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Standards						
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 1,000 connections	≤ 20 complaints per 1,000 connections	1.7 complaints per 1,000 connections	2.3 complaints per 1,000 connections	2.9[1] complaints per 1,000 connections	✓	Target met.
Number of complaints per 1,000 connections	≤ 30 complaints per 1,000 connections	24.1 complaints per 1,000 connections	28.5 complaints per 1,000 connections	29.9 complaints per 1,000 connections	✓	Target met. This measure is a direct measure of Service Requests raised by customers and provides an indication of network reliability. The year-on-year increase would therefore suggest an increase in repeated network failures, as the measure is directly linked to the condition and performance of the network.
Residents' satisfaction with the wastewater service they receive	≥ 90%	61%	69%	63%	×	Target not met. Satisfaction with the wastewater service was 63%, below the target of 90% and down from 69% in 2024-25. Resident feedback on three waters services included concerns about ageing infrastructure, wastewater discharges, odour and impacts on rivers, streams and coastal areas.

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Attendance time						
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 are:						
Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	159 minutes	81 minutes	114 minutes[2]	✗	Target not met. The annual target was not achieved. Despite this, the longer-term trend indicates gradual improvement over recent years, although performance the target level was not met. We did not meet the target due to timestamping issues affecting the accuracy of reported results. Tiaki Wai is aware of the issue and is working to improve the relevant processes.
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	12.4 hours	5.15 hours	6 hours	✓	Target met.
Compliance with resource consents measured by the number of abatement notices, infringement notices, enforcement orders, and convictions from wastewater system.	No enforcement action	15 notices	4 notices	2 notices[3]	✗	Target not met. Three infringement notices were issued in relation to the Seaview Wastewater Treatment Plant: • 1 Infringement notice (October 2025) was issued for non-compliant effluent discharges between 27 June and 18 July 2025. The discharges exceeded the consented suspended-solids limit. • Infringement notice (May 2026) was issued for undisinfected effluent discharges on 17 and 21 January 2026 following a failure of the ultraviolet disinfection system.

1. The actual results have been amended from 2.8 following receipt of final HCC Q4 26FY DIA Report Audited from Tiaki Wai.
2. The actual result has been amended from 116 min following receipt of final HCC Q4 26FY DIA Report Audited from Tiaki Wai
3. The actual result has been amended from 3 following receipt of final HCC Q4 26FY DIA Report Audited from Tiaki Wai.

Prospective statement of comprehensive revenue and expense
Wastewater

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	1,248	1,766	1,276	1,413	1,757	345
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	2,144	1,716	3,869	3,536	1,365	(2,171)
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	127	304	129	129	181	52
Other revenue	3,971	3,983	4,094	4,957	4,465	(492)
Total revenue	**7,490**	**7,769**	**9,368**	**10,035**	**7,767**	**(2,267)**
Expenditure						
Employee costs	-	-	-	-	196	(196)
Operating costs	23,014	21,488	24,052	24,059	22,073	1,986
Support costs	1,098	1,087	1,159	1,049	1,081	(32)
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	-	-
Finance cost	4,689	4,786	6,345	6,813	6,253	560
Depreciation	14,100	24,544	16,560	31,307	25,512	5,795
Total expenditure	**42,901**	**51,904**	**48,116**	**63,228**	**55,115**	**8,113**
Deficit before tax	**(35,411)**	**(44,135)**	**(38,748)**	**(53,193)**	**(47,348)**	**5,846**

Operating projects
Wastewater

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Wellington Water Limited (WWL) managed, maintained and operated the Wastewater activity on behalf of Council under a management services agreement. Net operating position is favourable to budget mainly due to delays in the Seaview Wastewater Treatment Plant programme, lower depreciation due to reduced asset capitalisation and lower financing costs. This is partly offset by lower development contributions for this activity.

Capital projects acquisitions and renewals
Wastewater

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to meet additional demand			
Network Upgrades WW Growth	349	-	349
Wastewater Valley Floor Infrastructure Growth	5,470	5,104	366
Wastewater Storage JV Project	1,856	12	1,843
Capital to improve level of service			
Network Upgrades WW	3,119	1,323	1,796
Trunk Main Outfall Pipeline Overflow Mitigation	778	-	778
Trunk Type A Asset Development	-	14	(14)
Joint Venture Trunk Reticulation DBO network Cyclic Upgrade	1,901	1,480	421
Capital to replace existing assets			
Wastewater Modelling	34	227	(193)
Network Renewals WW	3,126	6,714	(3,588)
Pump Station Upgrades WW	658	332	326
Trunk DBO JV asset replacement and Capacity upgrade	37,715	24,832	12,883
Trunk DBO Network Cyclic Replacement	5,621	5,458	163
Joint Venture trunk reticulation DBO network cyclic replmnt	-	30	(30)
Seaview WWTP JV sludge Handling Renewal and Capacity Upgrade	13,661	20,289	(6,628)
Total capital projects	**74,287**	**65,815**	**8,471**

Significant capital variations from Annual Plan

Wellington Water Limited (WWL) managed the planning and delivery of the Wastewater capital programme on behalf of Council under a management services agreement. WWL were tasked with completing a large programme of capital works. The capital underspend mainly reflects the timing of work on the Seaview UV renewal and odour control upgrade. This is partly offset by higher spend on the sludge dryer renewal at the Seaview plant, Wastewater Pipe renewal near St Patrick's in Silverstream and Western Hill Sewer renewal, with costs shared between Hutt City Council and Upper Hutt City Council. The programme of work and budgets were revised in line with Stage 3 advice from WWL and approved by Council in December 2025.

Waiāwhā
Stormwater

Statement of service performance

What we do

For the 2025-26 financial year, Council was responsible for stormwater services, with services delivered through Wellington Water Limited (WWL). Through the provision of a stormwater drainage network, Council managed surface water run-off to help reduce flooding impacts and protect people, property, infrastructure, and the environment.

As climate-related weather events become more frequent and severe, effective stormwater management remains important to supporting community resilience and reducing the impact of extreme weather events.

From 1 July 2026, responsibility for stormwater services transferred to Tiaki Wai, the new multi-council water services organisation established to deliver water services across the Wellington region. As a result, Council will no longer report against stormwater performance measures from 2026-27 onwards.

Further information on the transfer of water services to Tiaki Wai is provided in Note 31 of the financial statements.

Why we do it

During 2025-26, Council's delivery of stormwater services supported the health, safety, resilience, and wellbeing of the community by:

- managing stormwater run-off across the city
- reducing the impact of flooding on people, property, and infrastructure
- supporting community resilience during heavy rainfall and extreme weather events
- helping protect the natural environment.

Key performance indicators
Stormwater

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Standards						
We want to ensure our community can enjoy recreational assets						
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%	100%	✓	Target met.
We want to ensure our City has a safe, reliable, quality stormwater system						
Number of flooding events (where stormwater enters a habitable floor).	≤ 2	0	0	3	×	Tiaki Wai has advised Council that they were unable to report against this measure. In the absence of this, Council has used data from public reports of flooding to Council to determine the number of flooding events. There were three events this year that caused flooding that impacted habitable floors

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Number of habitable floors affected by flooding events (per 1000 connections).	≤ 0.24 per 1,000 connections	N/A – No flooding events	N/A – No flooding events	0.62	✗	Tiaki Wai has advised Council that they were unable to report against this measure. In the absence of this, Council has used data from public reports of flooding to Council to determine the number of habitable floors affected by flooding events. This is calculated based on 38,901 residential rateable properties classified as "Single Unit excluding Bach" or "Multi-Unit".
Number of complaints about stormwater system performance (per 1,000 connections)	<20 complaints per 1,000 connections	8.5 complaints per 1,000 connections	14.9 complaints per 1,000 connections	26 complaints per 1,000 connections	✗	Target not met. A total of 26 stormwater complaints per 1,000 connections were recorded in 2025-26, above the target of fewer than 20. The result was largely influenced by the April 2026 severe weather event, which caused a significant increase in stormwater-related complaints. Complaint volumes also continue to reflect network condition and the level of long-term investment in stormwater infrastructure.
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.	≤ 8 hours	0	0	Not Reported	Not Reported	Council is unable to reliably report performance against this measure for 2025/26. Flooding incidents were responded to by multiple service providers, and the information recorded in Council's customer relationship management system does not consistently record when an on-site response occurred. As a result, the available information is insufficient to accurately calculate response times against this measure.
Residents' satisfaction with the city's stormwater system.	≥ 70%	51%	58%	50%	✗	Target not met. Satisfaction with the city's stormwater service was 50%, below the target of 70% and down from 58% in 2024-25. Resident feedback highlighted concerns about blocked drains, localised flooding and the need for more regular gutter and stormwater maintenance.
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions).	Full compliance (0 notices)	0 notices	0 notices	0 notices	✓	Target met. There was no number of abatement notices, infringement notices, enforcement orders, and convictions issued.

Prospective statement of comprehensive revenue and expense
Stormwater

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	13	7	13	13	10	(3)
Operating subsidies	9	5	9	9	5	(5)
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	13,099	950	25,910	4,759	764	(3,995)
Development and financial contributions	484	230	906	828	221	(607)
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	127	118	129	129	115	(14)
Other revenue	-	-	-	-	-	-
Total revenue	**13,732**	**1,310**	**26,967**	**5,738**	**1,116**	**(4,623)**
Expenditure						
Employee costs	-	-	-	-	-	-
Operating costs	7,863	6,990	8,281	8,309	10,393	(2,084)
Support costs	461	466	489	443	459	(16)
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	-	-
Finance cost	950	488	1,298	522	479	43
Depreciation	6,416	18,830	6,970	19,239	17,747	1,493
Total expenditure	**15,690**	**26,774**	**17,038**	**28,513**	**29,078**	**(564)**
Deficit before tax	**(1,958)**	**(25,464)**	**9,929**	**(22,775)**	**(27,962)**	**(5,187)**

Operating projects
Stormwater

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Wellington Water Limited (WWL) managed, maintained and operated the stormwater activity on behalf of Council under a management services agreement. Net operating position is unfavourable to budget mainly due to reduced capital grant revenue linked to deferral of the Stormwater Valley Floor Infrastructure project, higher insurance costs and unexpected event costs such as blocked mains, culvert collapse, a sinkhole and February stormwater recovery, partly offset by lower network monitoring and investigations managed by WWL and lower depreciation due to reduced asset capitalisation.

Capital projects acquisitions and renewals
Stormwater

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to meet additional demand			
Stormwater development projects	1,649	-	1,649
Network upgrades SW growth	436	-	436
Stormwater valley floor infrastructure growth	5,670	1,733	3,937
Capital to improve level of service			
Network Upgrades SW	470	24	445
Stormwater consenting project	745	5	740
Stormwater Network Modelling	403	373	31
Capital to replace existing assets			
Control Systems renewals SW	11	1	10
Network Renewals SW	2,379	487	1,892
Pump Station Reactive Renewals SW	1,004	588	415
Total capital projects	**12,766**	**3,211**	**9,555**

Significant capital variations from Annual Plan

Wellington Water Limited (WWL) managed the planning and delivery of the Stormwater capital programme on behalf of Council under a management services agreement. WWL were tasked with completing a large programme of capital works. The underspend is mainly due to property purchases for the Stormwater Valley Floor Infrastructure project being delayed and underspend on stormwater development projects and network renewals. The programme of work and budgets were revised in line with Stage 3 advice from WWL and approved by Council in December 2025.

Para
Solid waste

Statement of service performance
What we do

Council's role in solid waste management contributes to keeping the community healthy, ensuring a high quality of life.

The solid waste activity delivers on Council's waste management objectives by:

- operating Council's kerbside rubbish, recycling, and green waste collection service
- operating Silverstream Landfill
- monitoring and managing all of Council's closed landfills
- Investigating, trialling, and/or implementing new initiatives to reduce waste or improve resource recovery.

Why and how we do it

Solid waste management is integral to maintaining a healthy, vibrant community. By actively participating in best practice waste management, we directly contribute to the overall wellbeing of our residents and the preservation of the environment.

Our commitment to waste minimisation and resource recovery reflects our dedication to creating a more sustainable community. Through the ownership and operation of the Silverstream landfill, we take a comprehensive approach to managing solid waste.

Note that some of Council's work to minimise waste and improve the recovery of resources is included in Council's sustainability and resilience activity, funded by waste levy funds received from the Ministry for the Environment. This is in support of Council's separate solid waste activity.

Key performance indicators
Solid waste

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Disposal/ landfills						
We are working to minimize the harmful effects of refuse						
Number of resource consent-related infringement notices received from Greater Wellington Regional Council.	Full compliance (0 notices)	0 notices	0 notices	0 notices	✓	Target met. 0 infringement notices.
Refuse services						
We want to reduce litter and the negative impacts it can have on our natural environment and on our community's health						
Number of illegal dumping complaints	Previous year less 10% ≤192	New measure in 2024-25	214	197	×	Target not met. A total of 197 illegal dumping complaints were received, slightly above the target of 192. Complaints included a range of incidents, with some duplicate reports relating to the same dumping event, and the increase may also reflect wider social and economic pressures.

Measure	Target	Actual	Actual	Actual	Year End vs Target	Variance reason
	2025–26	2023–24	2024–25	2025–26		
Recycling services **We are looking at ways to reduce the amount of waste going to landfill**						
Tonnes of kerbside waste to landfill (tonnes per person)	Less than previous year 22,317 / 113,400 = 0.197[1]	20,890 / 111,400 = 0.183[1]	22,317 / 115,000 = 0.193[1]	22,445 / 114,200= 0.196[1]	✓	Target met.
Percentage of kerbside recycling that is contaminated and diverted to landfill	≤ 10%	15%	14%	13%	×	Target not met. This reflects ongoing challenges with household understanding of recyclable materials, particularly for mixed and food-contaminated packaging. While education and bin-tagging initiatives continue, behaviour change is gradual and influenced by a variety of factors.[2]
Tonnes of kerbside recycling collected	Previous year plus 2% ≥5,274	5,134	5,171	4,812	×	Target not met. The reason for the increase is not clear, and may be due to a range of factors, including supplier choices regarding packaging they use for products, consumer choices, and economic activity. Note that over the last 2-3 years, there has been a decline in glass volumes (heavy) and an increase in can/tin volumes (light), which appears to be a factor in the reduction in recycling collected.
Overall resident satisfaction with Council's rubbish and recycling services	≥ 85%	New measure in 2024-25	78%	77%	×	Target not met. Overall satisfaction with Council's rubbish and recycling services was 77%, below the target of 85% and broadly consistent with 78% in 2024-25. Resident feedback highlighted missed or incomplete collections, contractor handling and bin placement, collection frequency and green waste services, as well as a desire for clearer recycling information and more flexible service options.

1. The 2025-26 result is calculated using the latest available Stats New Zealand population estimate for Lower Hutt of 114,200 as at 30 June 2025.
2. Contamination is measured by way of scoop tests of truck loads processed at the recycling processing facility. At least four tests are conducted per week, with different collection routes covered by testing during the month, in order to obtain representative samples of the material collected.

Prospective statement of comprehensive revenue and expense
Solid waste

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	35,075	29,048	37,157	33,237	31,858	(1,379)
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	500	498	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends from subsidiaries	-	-	-	-	-	-
Gain on property revaluations, sales, disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	30	100	31	31	107	76
Total revenue	**35,605**	**29,646**	**37,188**	**33,268**	**31,965**	**(1,303)**
Expenditure						
Employee costs	400	407	414	503	369	134
Operating costs	31,675	27,230	32,221	29,408	30,036	(628)
Support costs	1,024	587	1,088	522	328	194
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	-	-
Finance cost	388	564	391	826	690	136
Depreciation	2,039	2,136	2,254	2,395	2,583	(188)
Total expenditure	**35,526**	**30,923**	**36,368**	**33,654**	**34,006**	**(352)**
Deficit before tax	**79**	**(1,277)**	**820**	**(386)**	**(2,041)**	**(1,655)**

Operating projects

Solid waste

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Revenue is unfavourable to budget, mainly due to lower commercial waste volumes at the landfill compared with budget assumptions, driven by the economic downturn.

Expenditure is unfavourable to budget, mainly due to the higher landfill aftercare provision costs and increased operating contract costs for kerbside collections, partly offset by a favourable revaluation of Emissions Trading Units, and reduced Ministry for the Environment waste levy costs associated with the lower waste volumes at the landfill.

Capital projects

Solid waste

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to improve level of service			
Silverstream landfill stage 2 design & construction	13,461	9,139	4,322
Silverstream landfill asbestos cell	40	51	(11)
Silverstream landfill transfer station	517	-	517
Food and Green Waste	1,023	-	1,023
Total capital projects	**15,041**	**9,190**	**5,851**

Significant capital variations from Annual Plan

The capital underspend is mainly due to weather delays affecting the Landfill Stage 2 Design & Construction project. In May 2026 Council agreed to carryover the unspent Landfill Transfer Station budget to 2026-27 with the project being dependent on whether a privately funded resource recovery hub at Manor Park goes ahead. At the same time, the Food and Green Waste budget was also carried over to 2026-27 awaiting review through the Long Term plan 2027-2037 process.

Whakauka me te Manawaroa
Sustainability and resilience
Statement of service performance

What we do

The sustainability and resilience activity is focused on changing the way we do things to improve climate outcomes across Council and for the community. We do this by delivering on our Carbon Reduction Plan 2021– 2031 and Council's actions in the Lower Hutt Climate Action Pathway.

Council delivers on our climate change objectives through a range of activities and initiatives, including:
- providing advice to the Council on climate change-related projects (such as increasing the performance of any new building and infrastructure assets)
- monitoring Council's and the city's carbon emissions, and managing and supporting projects to implement carbon reductions in line with Council's Carbon Reduction Plan 2021–2031 and the Lower Hutt Climate Action Pathway, such as the phasing out of fossil gas at all of Council's community facilities
- delivering the Low Carbon Acceleration Fund to support the city in reducing its emissions faster
- managing and supporting regional projects, in collaboration with neighbouring councils (including helping implement the Regional Emissions Reduction Plan).

The sustainability and resilience activity also covers Council's work to minimise waste and improve the recovery of resources, through activities and projects funded by waste levy funds received from the Ministry for the Environment. This is in support of Council's separate solid waste activity.

Why and how we do it

The sustainability and resilience activities and initiatives enable the delivery of emission reductions, in line with Council's organisational carbon targets. Council's overall organisational carbon target was set in 2018, for the base year 2016-17. It is a net target. While not certified, it was based on the accepted science at that time that emissions would need to be reduced to net zero by 2050 to minimise significant adverse impacts associated with climate change.

It is acknowledged that it may not be possible to avoid some emissions in the future, due to technological and other limitations. Offsetting may therefore be required in the future to achieve the net target. However, decisions on the scale and need for offsetting of future residual emissions have not yet been made.

The target is currently under review, to be completed by August 2026, with a view to explicitly limiting the target's scope to Scope 1 and 2, which Council has more direct control over. Sub-sectoral targets are also under review, and new sub-sectoral targets may be recommended.

In order to track progress, Council currently measures emissions associated with its facilities and fleet vehicles on a quarterly basis, and its comprehensive organisational emissions on an annual basis.[1]

Estimation uncertainty in greenhouse gas measurement
Quantifying greenhouse gas emissions is subject to inherent uncertainty. This is because the scientific knowledge and methodologies used to determine emissions factors and to calculate or estimate quantities of greenhouse gas sources are still evolving. In addition, greenhouse gas reporting and assurance standards continue to develop, which may affect comparability and interpretation of reported data.

Council has in place its Carbon Reduction Plan 2021–31, with a number of initiatives and actions to reduce carbon emissions. However, this plan is not sufficient to deliver on Council's organisational carbon target and sub-sectoral targets in light of technological limitations and other constraints, and future updates to this plan with additional actions and associated funding will be required. This will need to include decisions on whether or not offsets will be required to achieve Council's target.

1. Further information on Council's performance, organisational boundaries, reporting scopes, emission inclusions and exclusions, and uncertainties, is available in Council's annual greenhouse gas inventory reports. The most recent version for 2024-25 is available on Council's website at hutt.city/greenhousegasinventoryreport.

For some current initiatives, such as the phase-out of fossil gas across Council facilities, funds have been allocated in Council's Long Term Plan and annual budgets in order to deliver on these. For other initiatives, it is expected that changes in management practice and policies rather than additional funds will result in the necessary change (e.g. decarbonisation of contracted services), or Council's ability to reduce emissions may be dependent on relevant technologies or infrastructure becoming available (eg to divert more organic waste from Silverstream landfill).

With regard to waste minimisation, Council's Waste Management and Minimisation Plan 2023-2029 (read online at hutt.city/wmmp) lists the associated objectives, initiatives, and actions to deliver on Council's desire to minimise waste, in support of Council's solid waste activity.

Key performance indicators
Sustainability and resilience

Measure	Target	Actual	Actual	Actual	Year End vs Target	Variance reason
	2025–26	2023–24	2024–25	2025–26	2025–26	
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 (tCO2-e)[1]	≤1,867 30% reduction by 2025[2]	2,076	2,362	2,038[3]	✗	Target not met. Emissions from Council-owned facilities were 2,038 tCO2-e, above the target of 1,867 tCO2-e. While Council has continued its gas phase out work, there was unexpected high gas consumption at the Wainuiomata Summer Pool. This remains unresolved with the retailer. In addition, the estimated emissions intensity for grid electricity also increased, albeit some emissions factors won't be confirmed until the end of 2026. Hence, emissions are estimates and provisional.
Emissions from Council -owned fossil fuel vehicles (tCO2-e)	≤49 75% reduction by 2025	69[4]	67	35	✓	Target met. Emissions from Council-owned fossil fuel vehicles were 35 tCO2-e in 2025-26, below the target of 49 tCO2-e and down from 67 tCO2-e in 2024-25. This reflects the continued transition of Council's fleet to electric vehicles, with 94% of the fleet electric at year end.
Emergency management						
Our city is prepared for an emergency and can respond appropriately						
Emergency Operations Centre resourcing levels maintained at least at WREMO competency level targets	Advanced - 6 Intermediate - 12 Foundation - 12	New measure in 2024-25	Advanced - 27 Intermediate - 5 Foundation - 16	Advanced - 24 Intermediate - 15 Foundation - 27	✓	Target met. Emergency Operation Centre resourcing levels exceeded WREMO competency targets in 2025-26, with 24 advanced, 15 intermediate and 27 foundation-level staff. Overall trained staff numbers increased during the year, supported by continued training across emergency response roles. Staff turnover remains a challenge, and training-record reconciliation with WREMO remains an improvement action.

1. tCO2-e refers to tonnes of carbon dioxide equivalent, a standard unit for measuring carbon footprints.
2. Compared to the baseline in 2016-17.
3. Emissions associated with electricity for quarter three and four have been estimated because emission factors for electricity are not available for 6-12 months after the end of the quarter. As a result, overall emissions for the year are an estimate and may be updated in future.
4. The 2023-24 result for emissions from Council-owned fossil fuel vehicles has been updated from the 67 tCO2-e previously reported in the 2023-24 Annual Report. Additional data was received after the Annual Report was finalised, and the result has now been recalculated to reflect the final 2023-24 emissions data.

Prospective statement of comprehensive revenue and expense
Sustainability and resilience

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	122	65	152	152	85	(68)
Operating subsidies	2,000	2,075	2,044	2,044	2,277	233
Operating grants	-	205	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	191	225	195	161	46	(115)
Total revenue	**2,313**	**2,570**	**2,391**	**2,357**	**2,407**	**50**
Expenditure						
Employee costs	1,174	1,224	1,215	939	1,008	(69)
Operating costs	2,854	2,459	2,904	2,764	2,601	163
Support costs	794	697	785	973	893	81
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	16	(16)
Finance cost	187	123	192	120	110	10
Depreciation	111	132	115	134	128	6
Total expenditure	**5,120**	**4,635**	**5,211**	**4,930**	**4,755**	**174**
Deficit before tax	**(2,807)**	**(2,065)**	**(2,820)**	**(2,573)**	**(2,348)**	**224**

Operating projects

Sustainability and resilience

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Waste minimisation projects	1,433	1,413	20

Significant operating variations from Annual Plan

Revenue is favourable mainly due to higher Waste minimisation levy from Ministry for the Environment, partly offset by lower EV charging revenue and lower than budgeted sale and revaluation of carbon credits which fund the Low Carbon Acceleration Fund projects.

Expenditure is favourable mainly due to a lower than budgeted uptake on the Low Carbon Acceleration Fund and a favourable revaluation of Emission Trading Units, which reduced landfill recovery costs.

Capital projects acquisitions and renewals

Sustainability and resilience
For the year ended 30 June

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
Capital to improve level of service	2026 $000	2026 $000	2026 $000
105 Western Hutt Road ERT Facility	-	98	(98)

Significant operating variations from Annual Plan

Capital expenditure is higher than the Annual Plan budget due to unspent budget carried forward from 2024-25 for the 105 Western Hutt Road Emergency Response Team (ERT) Facility project. The project has experienced delays due to extended approval and construction timelines requiring the remaining budget to be carried over once more to 2026-27. The project is scheduled to be completed in September 2026.

Ngā ratonga waeture
Regulatory services

Statement of service performance

What we do

Our statutory activities are essential for a clean, healthy, appealing, safe, and sustainable environment for residents and visitors. These activities encompass building and resource consents, environmental health, animal services, and parking enforcement.

We contribute to the safety of the community by ensuring that building standards are adhered to, and by inspecting commercial premises to guarantee that building safety systems are maintained and that people can exit safely during an emergency. We also inspect cleanliness and hygienic practices to reduce the risk of food-borne illnesses and alcohol-related harm.

Additionally, we oversee health-related activities in industries like tattoo studios and beauty therapy shops to mitigate potential health hazards.

The Resource Consents and Compliance team delivers Council's responsibilities under the Resource Management Act 1991. We manage subdivision, land use and development through three core functions, including resource consent processing, providing development engineering advice, and monitoring and enforcing compliance with consent conditions and the District Plan. This is a statutory function that helps ensure that Lower Hutt develops in a sustainable way that benefits current and future generations.

We also address health nuisances and noise issues to maintain a healthy living environment for everyone.

Why we do it

Most of our functions are required through various pieces of legislation. While primarily focused on environmental wellbeing, specifically the health, safety, and wellbeing of people within the urban environment, these activities also contribute directly to economic, social, and community safety outcomes. They play a crucial role in establishing and maintaining standards, promoting health and safety, and ensuring the welfare of our community. They also align with our commitment to a vibrant and secure city.

Our animal services activities focus on enforcing regulations to ensure the safety of residents and the welfare of animals. Finally, our parking services promote safe and efficient parking, ensuring fair access to public car parking spaces and enhancing overall traffic management in the city.

Key performance indicators
Regulatory services

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Building consents						
We need to ensure that new housing is safe and meets standards without delaying the process						
Percentage of building consents processed within statutory timeframe.	100% within 20 working days	56%	82%	95%	×	Target not met. Building consents were processed within statutory timeframes for 95% of applications in 2025-26. Performance improved from 82% in 2024-25 but remained below the 100% target. The result reflects a small number of applications processed outside statutory timeframes, including some complex applications requiring additional information or contractor input.
Code of compliance certificates issued within the statutory timeframe.	100% within 20 working days	53%	94%	95%	×	Target not met. Code of compliance certificates were issued within statutory timeframes for 95% of applications in 2025-26. Performance was affected by issues associated with the transition to the new consenting system, including some applications not migrating correctly into the active work queue and statutory clock reporting inconsistencies. Manual tracking was introduced while these issues were being resolved.
Resource consent						
Percentage of non-notified resource consents processed within statutory timeframes.	100% within 20 working days	77%	96%	93%	×	Target not met. Non-notified resource consents were processed within statutory timeframes for 93% of applications in 2025-26. Performance remained below the 100% target, reflecting the impact of complex consent applications, and impacts on development engineering from transition-related demands during the year. The most recently reported results from the National Monitoring System dashboard for 2024-2025 show that 87% of all resource consents processed by councils in New Zealand were within the statutory timeframe.
Environmental health						
We want a community where everyone feels safe						
Existing food premises verified within time frames (one month of due date)	85% by due date	98%	100%	100%	✓	Target met.
Sale and supply of liquor (high risk premises) inspected.	95% checked	100%	100%	100%	✓	Target met.
Noise control (excessive noise) complaints (%) investigated within 45 minutes.	≥ 85%	93%	93%	91%	✓	Target met.
Animal control						
Number of animal management community education programmes carried out.	≥20 visits annually	58[1]	81[1]	39	✓	Target met. A total of 39 animal management community education activities and programmes were delivered during 2025-26, exceeding the target of more than 20 visits annually. Education remains a critical part of Council's animal management approach, although uptake from schools has reduced in recent years.

1. The 2023-24 and 2024-25 results for this measure have been restated to reflect the correct number of Hutt City Council animal management community education activities and programmes delivered. From 2026-27 only formal educational programmes will be counted towards this key performance indicator (Animal Control Officer home visits will be excluded from the quantum).

Prospective statement of comprehensive revenue and expense
Regulatory services

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	11,475	11,810	11,942	15,355	15,753	398
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	2,293	962	2,346	151	(10)	(161)
Total revenue	**13,768**	**12,771**	**14,288**	**15,506**	**15,743**	**237**
Expenditure						
Employee costs	11,786	10,736	12,199	11,391	10,938	453
Operating costs	3,892	6,051	3,992	4,326	5,292	(966)
Support costs	4,552	5,017	4,106	6,558	6,476	82
Gain/(loss) on prop revals, sales, disposals	-	81	-	-	62	(62)
Finance cost	444	337	457	330	303	27
Depreciation	(10)	379	183	476	381	95
Total expenditure	**20,664**	**22,602**	**20,937**	**23,081**	**23,452**	**(372)**
Deficit before tax	**(6,896)**	**(9,831)**	**(6,649)**	**(7,575)**	**(7,709)**	**(135)**

Operating projects
Regulatory services

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Revenue is favourable mainly due to higher Land Information Memorandums and parking infringement revenue. This was offset by lower Building Control and Subdivision Engineering revenue, mainly due to resourcing constraints and reduced development activity.

Operating costs are unfavourable mainly due to increased provision for bad debts in Animal Control, court lodgement costs for parking infringements, and specialist services and contractor costs in Planning, offset by lower legal costs and claims in Building Control. Employee costs are lower mainly due to vacancies held in Building Control and Planning.

Capital projects acquisitions and renewals
Regulatory services

There were no capital projects separately budgeted for the year.

Oranga ōhanga
Economic wellbeing

Ngā waka
Transport

Statement of service performance

What we do

The transport team designs, builds, maintains, and renews the transport network. Our focus prioritises road safety, encourages more sustainable transport options such as public transport, walking and cycling, and improves travel options. We have an emphasis on mitigating climate change and the timely delivery of infrastructure projects. Our goal is a well-connected and modern transport system that accommodates all modes of transportation and ensures accessibility and connectivity throughout the city.

Why we do it

Our commitment is to future-proof our city for future generations. We strive to establish a resilient and interconnected transport system that offers increased accessibility and encourages alternative modes of transport (for example Te Wai Takamori o Te Awa Kairangi and Tupua Horo Nuku). Our efforts in road and traffic asset management, maintenance contracts, road safety services, and active modes aim to provide well maintained roads, footpaths, and streetlights. This infrastructure facilitates efficient travel for motor vehicles, bicycles, and pedestrians, aligning with our vision of a vibrant and connected city.

Key performance indicators
Transport

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Road assets						
Our transport system is safe to travel on						
Road condition index which measures the condition of the road surface.	Hold or improve rating ≤4.1	4	4.1	4.1	✓	Target met.
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	Hold or improve rating ≥64%	71%	64%	74%[1]	✓	Target met. Smooth travel exposure, which measures the average quality of ride on the sealed local road network, increased from 64% in 2024–25 to 74% in 2025–26. This primarily reflects corrections to the underlying traffic estimates used in the calculation. As the previous year's result was considered unreliable, a meaningful year-on-year comparison cannot be made, and the increase does not necessarily indicate an improvement in the physical condition of the road network.

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Roading maintenance						
Percentage of sealed local road network that is resurfaced annually.	≥2%	2.7%	2.3%	2.8%	✓	Target met.
Percentage of footpaths that fall within the service standard for footpath condition.	≥80%	98%	95%	95%	✓	Target met.
Percentage of customer service requests relating to roads and footpaths which are responded to within the timeframe[2]	80% within 7 days	Not reported	19%	41%	×	The target was not met, with 41% of eligible customer service requests relating to roads and footpaths responded to within seven days. This result covers the period from 1 October 2025 to 30 June 2026 and does not represent performance for the full financial year. This is the first year the measure has been reported using data from the new Dynamics CRM system, which records customer interactions differently from the previous system. Customer service requests recorded in the previous system between 1 July and 30 September 2025 were excluded because the response times for those requests could not be calculated accurately. Work is underway to better understand the underlying causes and identify opportunities to improve response times. The calculation is based on individual customer service requests. Separate requests relating to the same underlying fault are assessed individually against the seven-day response timeframe.
Kilometres of shared pathways and cycle lanes added	Hold or improve length ≥ 0.0km	New measure in 2024-25	0.0km Baseline year	3.8km	✓	Target met. A total of 3.8 kilometres of shared pathways was added during 2025-26, reflecting the completed Tupua Horo Nuku shared pathway. The result was reported across quarters three and four as verified as-built information became available for different sections of the project.
Kilometres of renewals for footpaths	Hold or improve length ≥ 2.6km	New measure in 2024-25	2.6km Baseline year	2.7km	✓	Target met. A total of 2.7 kilometres of footpaths was renewed during 2025-26, meeting the target to hold or improve on the 2024-25 baseline of 2.6 kilometres.

Infrastructure contracts

Infrastructure contracts managed by Council contribute to social outcomes						
Audit of contracts – number of contracts audited	12 of 12	(7 of 7) 100%	12 of 12	12 of 12	✓	Target met.
Audit of contracts – percentage of audited contract specifications that met contractual obligations	≥ 90%	100%	90%	90%	✓	Target met.

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Active modes						
We are working to strengthen our active transport network						
Residents' satisfaction with footpath condition	≥ 80%	New measure in 2024-25	48%	49%	×	Target not met. Satisfaction with footpath condition was 49%, below the target of 80% and broadly consistent with 48% in 2024-25. Resident feedback highlighted footpath defects and accessibility concerns, including uneven or obstructed paths and their impact on pedestrians and people with limited mobility.
Residents' satisfaction with on road cycleway condition	≥ 80%	44%	36%	39%	×	Target not met. Satisfaction with on-road cycleway condition was 39%, below the target of 80% and broadly consistent with 36% in 2024-25. Resident feedback highlighted concerns about the condition, safety and connectivity of cycling infrastructure, alongside differing views about the development of cycleways.
Residents' satisfaction with shared path condition	≥ 80%	51%	46%	49%	×	Target not met. Satisfaction with shared path condition was 49%, below the target of 80% and broadly consistent with 46% in 2024-25. Resident feedback highlighted concerns about maintenance, route connectivity and safety conflicts between cyclists and pedestrians.
Residents' satisfaction with the availability of car parking to access services and facilities (does not include access to residences)	≥ 75%	49%	45%	46%	×	Target not met. Satisfaction with the availability of car parking when accessing services and facilities was 46%, below the target of 75% and broadly consistent with 45% in 2024-25. Resident feedback highlighted concerns about parking availability and cost, particularly in central Lower Hutt and Petone, as well as the effects of roadworks and wider transport changes.
Road safety services:						
The number of fatalities and serious injury crashes on the local road network	Previous year less 1% ≤25	35	26	27	×	Target not met. A total of 27 fatalities and serious injury crashes were recorded on the local road network during 2025-26, above the target of 25. Council continues to invest in road safety improvements across the city, aligned with national Vision Zero principles, which seek to ensure no one is killed or seriously injured on our roads.

1. The increase in Smooth Travel Exposure from 62% in 2024–25 to 74% in 2025–26 primarily reflects corrections to the underlying traffic estimate data used in the calculation.
2. "Responded to" means a qualifying Email, Phone Call or Case Resolution activity is recorded in the system within 168 hours (seven calendar days) of the request being created. This does not require the physical fault to have been repaired.

Prospective statement of comprehensive revenue and expense
Transport

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	7,505	7,417	7,923	5,286	4,637	(649)
Operating subsidies	8,150	6,239	8,329	6,347	7,429	1,082
Operating grants	-	-	-	-	-	-
Capital subsidies	28,117	15,986	28,425	22,586	14,022	(8,564)
Capital grants	9,620	7,147	4,714	6,908	5,155	(1,753)
Development and financial contributions	468	897	814	744	478	(266)
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	555	566	567	567	238	(330)
Other revenue	576	450	589	669	537	(132)
Total revenue	**54,991**	**38,702**	**51,361**	**43,107**	**32,496**	**(10,610)**
Expenditure						
Employee costs	2,580	2,546	2,734	2,553	2,506	48
Operating costs	21,178	18,696	21,701	19,639	19,339	300
Support costs	4,320	3,937	4,471	2,295	2,603	(308)
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	(49)	49
Finance cost	3,057	1,992	3,311	2,287	2,099	188
Depreciation	22,764	17,391	25,511	20,482	18,855	1,627
Total expenditure	**53,899**	**44,562**	**57,728**	**47,256**	**45,352**	**1,903**
Deficit before tax	**1,092**	**(5,860)**	**(6,367)**	**(4,149)**	**(12,856)**	**(8,707)**

Operating projects
Transport

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Revenue is unfavourable mainly due to lower paid parking fees related to delays with the implementation of the extended central area paid parking, lower capital subsidies and grants linked to delayed/stopped capital projects, and the remaining Tupua Horo Nuku shared path grant funding being conditional to the completion of reporting activities taking place in July and August 2026. These are offset by higher operating subsidies linked to storm damage and weather event costs.

Operating costs are favourable mainly due to lower engineering services costs as more work was done in house, partially offset by storm damage costs related to February and April 2026 events.

Support costs variance is due to these being allocated based on revised budgets which reflect updated forecasts and actual service delivery.

Depreciation is favourable mainly due to the reduced capital spend.

Capital projects acquisitions and renewals
Transport

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to meet additional demand			
Cross Valley Connections - Growth	61	-	61
Cycling Micro-mobility Programme Growth	238	169	70
Traffic Safety Improvements Growth	-	1	(1)
Road Network Improvements - Growth	152	54	98
Capital to improve level of service			
Cross Valley Connections	1,539	-	1,539
Reconstruction Improvements	89	-	89
Broadband Ducting	23	-	23
Land Purchase For Roads	11	-	11
Substandard Roads Upgrade	621	514	107
Cycling Micromobility Programme	6,041	4,271	1,770
Tupua Horo Nuku Eastern Bays NZTA	22,230	17,252	4,978
Traffic Safety Improvements	3,121	36	3,085
Road Network Improvements	706	324	382
Bridge Seismic Strengthening Cuba Street Overbridge	-	219	(219)
Network Resilience - Eastern Hutt Road	14,620	165	14,455
Pay & Display Extension - New	430	36	394
Ava Pedestrian Bridge	3,000	-	3,000
Speed Limit Reversal	252	178	74

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to replace existing assets			
Area Wide Pavement Treatment	4,541	4,546	(5)
Pavement Surfacing	3,877	3,876	1
Footpath Resurfacing And Replacement	1,955	1,999	(44)
Minor Road And Footpath Construction	82	47	35
Road Reconstruction	258	257	1
Wainuiomata Hill Road Safety Seal	631	571	60
Traffic Signal Replacement	189	18	171
Streetlight Lantern Replacement Programme	262	238	24
Streetlight Standard Replacement	327	287	40
Carpark Resurfacing	57	57	-
Bridge Renewals - Norton Park Avenue / Nelson Crescent	-	52	(52)
Estuary Bridge Corrosion Protection	1,067	-	1,067
Pay & Display Extension	-	87	(87)
Transport Resilience Projects	2,501	-	2,501
Total capital projects	**68,883**	**35,253**	**33,630**

Significant capital variations from Annual Plan

The capital underspend relates to several projects. Cross Valley Connections and Network Resilience - Eastern Hutt Road projects were delayed awaiting NZ Transport Agency Waka Kotahi funding. Cycling Micromobility Programme, Transport Resilience and Traffic Safety Improvement projects were delayed due to resourcing constraints. The Pay and Display Extension was delayed due to equipment availability and was completed in August 2026. Estuary Bridge Corrosion Protection project was delayed while waiting on the consent from GWRC. Ava Pedestrian Bridge project is not proceeding as a result of structural concerns. Tupua Horo Nuku Eastern Bays project underspend reflects the project being ahead of schedule at the end of 2024-25, with less work required in 2025-26 than originally planned. The project was completed within the overall project budget. Cuba St bridge is overspent due to year end carryover of budget from 2024-25 reflected in the revised Annual Plan budget.

The majority of the delayed projects will require a carryover to 2026-27.

Whanake tāone
City development

Statement of service performance

What we do

Providing essential services that cater for the needs of residents, businesses, and visitors is crucial for the economic development of Te Awa Kairangi ki Tai Lower Hutt. The City Development Group oversees various activities, including urban design, business support and city growth, housing, and the District Plan. This multifaceted approach ensures a comprehensive strategy for the city's development and wellbeing.

Why we do it

Our commitment to enhancing the quality of life for residents drives our efforts. Easy access to recreational green spaces, Te Awa Kairangi Hutt River, and Te Whanganui a Tara harbour contributes to our distinctive appeal. By supporting the business sector and promoting Te Awa Kairangi ki Tai Lower Hutt as a vibrant business location, we create a positive ripple effect, benefiting local enterprises and residents alike. Initiatives like placemaking, supported events, and collaborations not only add vibrancy to the city but also attract visitors. Collaborating with partners fosters better connectedness within our business community, facilitating skill development and capability enhancement for future growth. Overall, our work aims to create a thriving and interconnected community that contributes to the city's economic prosperity and cultural richness.

Key performance indicators

Not applicable. No key performance indicators measures were selected as part of the 10 Year Plan for this activity area.

Statement of comprehensive revenue and expenses
City development

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	87	80	89	85	85	-
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	12,231	-	16,685	882	123	(759)
Capital grants	-	-	-	-	47	47
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	1,093	-	(1,093)
Vested assets	-	-	-	-	-	-
Other revenue	-	304	-	50	125	75
Total revenue	**12,318**	**384**	**16,774**	**2,110**	**380**	**(1,730)**
Expenditure						
Employee costs	1,949	2,118	2,017	1,969	2,052	(83)
Operating costs	7,385	4,044	6,482	5,715	2,728	2,988
Support costs	2,870	2,713	2,880	2,956	2,971	(15)
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	-	-
Finance cost	3,131	2,800	3,954	3,131	2,874	257
Depreciation	(7)	-	30	-	-	-
Total expenditure	**15,328**	**11,676**	**15,363**	**13,771**	**10,624**	**3,147**
Deficit before tax	**(3,010)**	**(11,292)**	**1,411**	**(11,661)**	**(10,244)**	**1,417**

Operating projects
City development

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Development stimulus package	1,380	217	1,163

Significant operating variations from Annual Plan

Revenue is unfavourable mainly due to delays in property sales associated with the Te Wai Takamori o Te Awa Kairangi (RiverLink) project, resulting in lower gains on property sales than budgeted. The timing of property sales was affected by dependencies with the wider programme, including stopbank works and road access. Capital subsidies were also lower than budget due to delays with NZ Transport Agency Waka Kotahi funding of the intersections work as part of the same project.

Expenditure is favourable mainly due to underspend and savings on the Development Stimulus remissions linked to delays in private developments outside Council's control, which meant they were no longer eligible to receive the remissions and legislative changes in August 2025 associated with District Plan delaying proposed plan changes and associated hearings.

Capital projects acquisitions and renewals
City development

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to meet additional demand			
Urban Growth Strategy Improvements	1,539	-	1,539
Capital to improve level of service			
Petone 2040	430	379	51
Naenae Town Centre improvements	640	593	47
Te Wai Takamori o Te Awa Kairangi - RiverLink	11,562	7,651	3,910
Capital projects to improve level of service			
Civic Events Centre Renewal	37	35	2
Total capital projects	**14,208**	**8,657**	**5,550**

Significant capital variations from Annual Plan

The capital underspend is due to the Urban Growth Strategy project delays due to factors outside Council control in progressing the development of the Wise Street Extension.

Te Wai Takamori o Te Awa Kairangi (RiverLink) underspend is due to the deferral of property purchases pending updated Council decision with dependencies across the wider programme and is partly offset by costs incurred earlier than budgeted due to accelerated delivery of the intersection works on Queens Drive/High Street.

Oranga hapori, oranga ahurea
Social and cultural wellbeing

Hō mātou rangapū hapori me te mahi ngātahi
Community partnering and support

Statement of service performance

What we do

The prosperity of our city hinges on the creation of secure, interconnected, healthy, inclusive, and resilient neighbourhoods and communities. Recognising the important role communities play in fostering a sense of belonging and purpose, Council is committed to supporting local groups to improve their overall wellbeing.

Through our hubs which provide social and digital connection, library services and programmes and activities, we actively support wellbeing. We also partner with other agencies and community groups who utilise our spaces to deliver wellbeing services and activities to our community. Collaborative initiatives aimed at enhancing social and cultural wellbeing play a crucial role in fostering community connectedness and a sense of belonging.

Council oversees the implementation and ongoing review of a Homelessness Strategy for Lower Hutt. We collaborate closely with partners and service providers to address the issue effectively, with a particular focus on supporting individuals and families experiencing homelessness.

Why we do it

Our commitment to community wellbeing is seen through collaborative efforts with local communities to facilitate and enable local initiatives. We work to establish a collective community voice on specific issues and to harness the collective impact of all those on the ground Council's facilities such as hubs contribute to the wellbeing of our people and vitality of the city by:

- providing spaces for social and digital connection, life-long learning and programmes and activities that support wellbeing, enhancing personal development and quality of life
- providing spaces for other agencies and community groups to run events and activities, which both support the wellbeing of the local community and attract visitors and therefore providing economic benefits.

Council partners with groups who support homeless whānau to ensure they have the necessary support and resources to secure stable housing. We prioritise prevention efforts to minimise the occurrence of homelessness and strive to create a community where everyone has access to safe and secure housing.

Key performance indicators
Community partnering and support

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Community Hubs						
We provide safe spaces for social, leisure and educational activities						
Number of neighbourhood hubs that met visitor number targets	9 of 9	9 of 9	7 of 9	7 of 9	×	Target not met. This is due to reduced service levels with shorter opening hours at Wainuiomata and Koraunui Stokes Valley, Koraunui closed for 4 months following Feb storm damage and Petone relocating to Jackson St. Despite these disruptions, total annual visits across the network exceeded the overall target

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Number of community wellbeing activities delivered by, or in partnership with, Council	≥5,000	New measure in 2024-25	7,141	8,766	✓	Target met. A total of 8,766 community wellbeing activities were delivered or enabled in 2025-26, above the target of 5,000. The target was established before reliable baseline information was available. Delivery has since increased through specific programming targets across sites, activity categories and priority focus areas.
Number of overall loans from hubs/ libraries	≥790,000	New measure in 2024-25	966,524	907,397	✓	Target met. A total of 907,397 loans were recorded in 2025-26, above the target of 790,000. Digital borrowing represented around 29% of all loans and included e-books, audiobooks and streaming content. Demand for free library resources also remained strong, reflecting changing borrowing preferences and continued cost-of-living pressures.
Number of digital literacy programmes/ activities delivered/ enabled	≥100	New measure in 2024-25	348	1,092	✓	Target met. A total of 1,092 digital literacy programmes and activities were delivered or enabled in 2025-26, well above the target of 100. The target was established before reliable baseline information was available, while specific programming expectations across the hub network resulted in a significant increase in delivery.
Number of early years literacy programmes/ activities delivered/ enabled	≥800	New measure in 2024-25	1,510	1,600	✓	Target met. A total of 1,600 early years literacy programmes and activities were delivered or enabled in 2025-26, above the target of 800. The result reflects specific programming expectations across the hub network and continued demand for early literacy programmes supporting tamariki and whānau.
Number of Neighbourhood Support member households	Previous year plus 10% (≤105)	New measure in 2024-25	322	376	✓	Target met. The provider reports the increase in memberships reflects sustained community outreach and engagement efforts, including regular neighbourhood visits, community events, and a stronger focus on emergency preparedness and resilience in flood-prone areas.
Residents' satisfaction with neighbourhood hubs	≥80%	88%	87%	89%	✓	Target met.

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	50	50	82	✓	Target met. The provider reports continued and growing demand for housing support, driven by shortages of affordable accommodation, rising living costs and increasing housing instability
Number of households provided with legal housing advice and advocacy.	≥80	99	194	136	✓	Target met. The provider reports sustained demand for specialist housing legal advice, particularly relating to tenancy rights, tenancy termination, bond disputes and Tenancy Tribunal proceedings. Reporting also demonstrates complex cases requiring ongoing legal advocacy and representation.

Statement of comprehensive revenue and expenses
Community partnering and support

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	518	519	529	98	189	91
Operating subsidies	961	913	982	982	757	(225)
Operating grants	5	-	6	6	-	(6)
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	70	40	71	61	283	222
Total revenue	**1,554**	**1,472**	**1,588**	**1,147**	**1,229**	**82**
Expenditure						
Employee costs	4,299	4,168	4,273	4,415	3,608	807
Operating costs	4,426	4,525	4,570	4,861	4,545	315
Support costs	4,744	4,301	4,576	4,555	4,420	135
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	27	(27)
Finance cost	657	380	680	353	324	29
Depreciation	2,000	1,507	2,064	1,380	1,864	(485)
Total expenditure	**16,126**	**14,881**	**16,163**	**15,564**	**14,788**	**775**
Deficit before tax	**(14,572)**	**(13,409)**	**(14,575)**	**(14,417)**	**(13,559)**	**858**

Operating projects

Community partnering and support

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Net operating position is favourable to budget mainly due to staff vacancies in neighbourhood hubs and Connected Communities, and lower than budgeted community grants funding paid. This is offset by higher depreciation, mostly due to a correction of depreciation charges for Treadwell Street Hall and Te Mako centre. Support cost variance is due to these being allocated based on revised budgets to reflect updated forecasts and actual service delivery.

Capital projects acquisitions and renewals

Community partnering and support

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to improve level of service			
Community hubs - building improvements	6	20	(15)
Community houses	56	-	56
Capital to replace existing assets			
Belmont Memorial Hall Renewal	23	-	23
Eastbourne Hall Renewal	66	-	66
Epuni Hall Renewal	54	33	21
Wainuiomata Memorial Hall Renewal	33	-	33
Maungaraki Hall Renewal	35	-	35
Walter Nash Centre Renewal	184	65	119
Stokes Valley Hub Renewal	73	-	73
Wainuiomata Hub Renewal	76	-	76
Community Hubs - Furniture & Equipment Replacements	5	1	4
CCTV Replacement	156	22	134
Community Houses Building Renewal	182	-	182
Moerā Community Hall Renewal	50	-	50
Treadwell Community Hall Renewal	54	-	54
Hardwick-Smith Lounge Renewal	17	-	17
Hutt Art Society Renewal	59	29	29
Total capital projects	**1,128**	**171**	**957**

Significant capital variations from Annual Plan

The capital underspend is mainly due to delays in renewal projects following the reprioritisation of resources in response to the February 2026 storm event. Delivery was also impacted by the team not being fully resourced during the first half of 2025-26. The overspend on Community Hubs is related to the necessary upgrade of data cabling at Walter Nash Centre for stadium streaming and connection to server room. The unspent budgets will require a carryover to 2026-27.

Papa rēhia me ngā whenua tāpui
Open spaces, parks, and reserves

Statement of service performance

What we do

We oversee a network of green spaces across the city that support the well-being and physical and mental health of our communities and contribute to the protection of ecosystems and indigenous biodiversity. We work alongside Mana Whenua to protect sites that are significant to Iwi.

The services we provide promote the social, economic, environmental, and cultural wellbeing of the community in line with the purpose of the Local Government Act. The areas we manage not only enhance the aesthetic appeal of our city but also serve as important venues for recreation, gatherings and social connection.

Why we do it

Council ownership and management of parks is primarily to protect, conserve, maintain, and develop land to enhance habitat, provide recreation opportunities, and protect landscapes. These parks are both natural and developed. The provision of parks is also considered a fundamental requirement for the health and wellbeing of the community. The availability and presentation of open spaces affect the character of the city and the way the community feels about their city and neighbourhoods. Bush reserves contribute to indigenous biodiversity, landscape values, recreation opportunities, and the wellbeing of our community.

Council understands the positive impact of sport and recreation, access to natural spaces, and opportunities to meet with other people on the wellbeing of individuals, both in the physical and psychological context. The function is legislated under the Reserves Act 1977 for Parks and Reserves. The provision of cemeteries by the Burial and Cremation Act 1964, and the Public Toilet provision by the Local Government Act 2002 and the Health Act 1956.

This service contributes to all of Councils Community outcomes:

- **Connected, Resilient and Inclusive Communities:** It achieves this by providing places for people to meet, exercise and exchange ideas.
- **Fit-for-Future Infrastructure:** Council's Reserves Investment Strategy ensures that its green assets are maintained in a fit for purpose condition that meets the needs of the community, set against decreasing private greenspace as a byproduct of housing intensification.
- **Liveable City and Vibrant Neighbourhoods:** well-maintained, high-quality greenspaces contribute significantly to the liveability and vibrancy of its neighbourhoods.
- **Support and Enhance the Environment:** Environmental outcomes include protecting natural spaces, managing growth sustainably, and integrating climate-resilience into planning. Council maintains that ecological wellbeing is central to how services and growth should be delivered.

Key performance indicators
Open spaces, parks, and reserves

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Open spaces, parks, and reserves **We provide leisure and recreational opportunities to our community**						
Number of days Council-owned/maintained artificial turf sports fields are closed (due to maintenance or drainage issues)	≤ 20 days	Nil	2 days	Nil	✓	Target met. There were no sport field or artificial turf closures in 2025–26, compared with two days of closures in 2024–25 following a significant MetService weather warning.
Number of days Council owned/maintained grass sports fields are closed (due to maintenance or drainage issues)	≤ 10 days	23 days	15 days	15 days	×	Target not met. Grass sports fields were closed for 15 days during 2025-26, above the target of 10 days. This was largely due to wet weather and saturated field conditions following significant rainfall events during the year, including in April and late June.
Residents' satisfaction with sports fields	≥ 80%	83%	80%	80%	✓	Target met.
Residents' satisfaction with parks and reserves.	≥ 80%	83%	85%	83%	✓	Target met.
Residents' satisfaction with playgrounds.	≥ 80%	81%	79%	77%	×	Target not met. Satisfaction with playgrounds was 77%, slightly below the target of 80% and broadly consistent with 79% in 2024-25. Resident feedback highlighted the quality, condition and design of some playgrounds, including requests for upgraded equipment, fencing and additional shade. Council's programme of playground renewals and improvements is continuing.

Prospective statement of comprehensive revenue and expense
Open spaces, parks, and reserves

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	1,652	1,665	1,806	1,886	1,771	(116)
Operating subsidies	-	-	-	-	-	-
Operating grants	6	-	6	6	6	(1)
Capital subsidies	-	-	-	-	-	-
Capital grants	-	14	-	-	-	-
Development and financial contributions	3,000	3,771	3,000	3,000	1,215	(1,785)
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	41	-	-	164	164
Other revenue	112	10	115	115	8	(107)
Total revenue	**4,770**	**5,500**	**4,927**	**5,007**	**3,163**	**(1,844)**
Expenditure						
Employee costs	1,093	966	1,131	1,099	1,245	(147)
Operating costs	16,564	16,275	14,160	14,222	14,545	(324)
Support costs	993	940	1,024	926	938	(12)
Gain/(loss) on prop revals, sales, disposals	-	655	-	-	-	-
Finance cost	1,730	1,090	2,233	1,564	1,436	128
Depreciation	3,818	3,668	4,108	3,977	4,173	(195)
Total expenditure	**24,198**	**23,595**	**22,656**	**21,788**	**22,337**	**(549)**
Deficit before tax	**(19,428)**	**(18,095)**	**(17,729)**	**(16,781)**	**(19,174)**	**(2,393)**

Operating projects

Open spaces, parks, and reserves

There were no operating projects separately budgeted for in the year.

Significant operating variations from Annual Plan

Revenue is unfavourable mainly due to lower reserve financial contributions reflecting the lower level of development activity.

Operating costs are unfavourable to budget mainly due to the recovery costs associated with the February 2026 storm event. Employee costs are unfavourable mainly due to the vacancy savings assumption not being achieved, as Parks and Reserves were fully staffed with no vacancies for the year.

Capital projects acquisitions and renewals

Open spaces, parks, and reserves

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to meet additional demand			
Reserve developments	3,856	1,781	2,075
Black Creek reserve development	150	2	148
Tree Planting City Wide	-	49	(49)
Capital to improve level of service			
Parks & Gardens Protection Bollards	10	-	10
Sportsground Drainage Upgrades	-	20	(20)
Wainuiomata Garden Of Remembrance	-	5	(5)
Jubilee Park Drainage	41	25	16
Meadowbank Reserve Development Belmont	-	10	(10)
New Tracks & Track Upgrades	111	-	111
Mountain Bike Park	57	48	9
Minoh Friendship House Improvements	38	-	38
Toilets Upgrade	150	425	(275)
Sportsville Artificial Playing Surface	971	-	971
New Cemetery Development, Akatarawa Road	-	63	(63)
Decarbonisation Energy Conversion (Parks)	440	67	374
Taitā Cemetery Improvements	51	73	(22)
Parks & Reserve Drainage Improvements	1,569	1,138	431

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to replace existing assets			
Seats & Bins	68	66	3
Parks Buildings Capital Renewals	1,807	390	1,417
Parks Hard Surfaces Renewal	1,296	1,166	131
Playgrounds	235	-	235
Petone Wharf	6,490	540	5,950
Track Renewal	114	2	113
Parks Signage & Interpretation	65	-	65
Playgrounds	926	42	883
Korohiwa Bus Barn Renewal	29	-	29
Petone Grandstand Renewal	2,800	-	2,800
Naenae Bowls Renewal	22	-	22
Ricoh Sports Centre Renewal	78	-	78
Total capital projects	**21,377**	**5,913**	**15,464**

Significant capital variations from Annual Plan

The capital underspend is mainly due to rescoping of some Reserve Development projects and delays while awaiting Council decisions for Petone Wharf and Petone Grandstand. Some projects exceeded budgets due to the need to replace assets earlier than expected. The toilet upgrade project overspend is based on the Council approved revised budget (not reflected in the Annual Plan) to deliver the toilet upgrade on Petone Esplanade, at the end of Bay Street.

Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia
Connectivity, creativity, learning, and recreation

Statement of service performance

What we do

Council plays an important role in providing spaces and facilities that serve as hubs for connection, recreation, creativity, learning, and enjoyment. Our extensive network of swimming pools, fitness centres, art spaces, and museums form the beating heart of the communities they serve.

Community wellbeing is enhanced through swimming pools, fitness suites and aquatic programmes including learn to swim, and by museum and heritage collections and arts programmes.

These facilities and services enable residents and visitors to learn, recreate, relax, connect, improve their fitness and health, build confidence, express themselves, and, most importantly, have fun!

Why we do it

Overall, facilities and the services and activities within them contribute to enhancing cultural life, diversity, and wellbeing. They foster civic pride and promote strong community values. This focus on community strength and resilience, as well as equity, ensures a sustainable and prosperous future for our city.

Council focuses on providing library services that support access to information and life-long learning. Museums preserve our taonga and collective memory and celebrate diversity and identity. By offering these resources, we aim to support and enrich individuals and the broader community.

Recognising the positive impact of recreation, sport, and fitness on people's lives, we ensure the provision of high-quality services at a cost that helps make them accessible for the entire community.

Aquatic and fitness facilities contribute to the wellbeing of our people and vitality of the city by:

- increasing social cohesion and people's sense of belonging and healthy communities that can result from the social interaction that occurs at aquatic facilities
- providing Learn to Swim programmes (particularly for children) which is considered a vital public service to promote safety and prevent accidental drowning.

Key performance indicators

Connectivity, creativity, learning, and recreation

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Swimming pools and fitness						
We provide our community with access to a leisure and recreational opportunities						
Number of pools which met visitor number targets.	6 of 6	3 of 5	2 of 5	6 of 6	✓	Target met. Hutt City pools met attendance targets this year due to all facilities being fully operational, favourable summer weather supporting strong outdoor pool use, and improved attendance reporting providing a more accurate picture of overall facility use.
Number of fitness suite members.	Greater than or equal to previous year	1,806	2,469	1,892	×	Target not met. Fitness suite membership was 1,892 at year end, below the target of 2,469. Membership was affected by increased competition from other gyms, pricing pressures, limited promotion and some staffing constraints. Membership began to improve toward the end of the year as all Council facilities returned to full operation, and further staff training and promotional activity is planned to support continued growth.
Residents' satisfaction with pools.	≥ 80%	81%	80%	81%	✓	Target met.
Art spaces and museums						
We enable access to arts and culture						
Number of museums who met visitor number targets	2 of 2	1 of 2	2 of 2	2 of 2	✓	Target met.
Number of arts and culture programmes delivered at museums	≥200	New measure in 2024-25	344	263	✓	Target met.
Residents' satisfaction with museums	≥ 80%	92%	92%	91%	✓	Target met.

Prospective statement of comprehensive revenue and expense

Connectivity, creativity, learning, and recreation

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	-	-	-	-	-	
User charges	5,729	4,313	6,402	6,860	4,734	(2,127)
Operating subsidies	50	44	51	51	3	(48)
Operating grants	-	14	-	-	4	4
Capital subsidies	-	-	-	-	-	-
Capital grants	6,750	12,184	-	-	43	43
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	998	1,019	703	1,172	963	(210)
Total revenue	**13,527**	**17,575**	**7,156**	**8,083**	**5,747**	**(2,337)**
Expenditure						
Employee costs	11,441	11,549	12,361	13,325	13,604	(279)
Operating costs	8,054	8,301	8,419	8,543	9,215	(672)
Support costs	7,480	6,720	7,252	7,030	6,893	137
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	(5)	5
Finance cost	4,761	4,175	4,677	4,225	3,878	347
Depreciation	6,465	5,188	8,356	7,986	5,800	2,186
Total expenditure	**38,201**	**35,933**	**41,065**	**41,109**	**39,386**	**1,723**
Deficit before tax	**(24,674)**	**(18,359)**	**(33,909)**	**(33,026)**	**(33,639)**	**(614)**

Operating projects

Connectivity, creativity, learning, and recreation

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Revenue is unfavourable to budget due to lower user charges, driven mainly by reduced pool attendance and lower uptake in Learn to Swim programmes.

Expenditure is favourable to budget largely due to lower depreciation and finance costs linked to delays in the capitalisation of assets and lower capital spend. This is offset by higher utilities, repairs and maintenance costs in Aquatics, compliance costs in Museums and the spend to date on the Petone Neighbourhood Hub project moving from capital costs to operating costs due to Council decision to stop the project in February 2026. Support cost variance is due to these being allocated based on revised budgets to reflect updated forecasts and actual service delivery.

Capital projects

Connectivity, creativity, learning, and recreation

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to improve level of service			
Dowse New Artworks	56	59	(3)
Dowse Heat Pump	900	-	900
Little Theatre Sound and Lighting Improvements	67	21	46
McKenzie Pool Renewals	162	-	162
Pools Other Improvement Projects	138	-	138
Naenae Pool & Fitness Rebuild	6	155	(149)
RFID Robotic Returns Sorter	365	-	365
Libraries Buildings Improvements	51	-	51
Civic Events Centre Improvements	99	-	99
Eastbourne Library/Community Hub Building Improvements	98	39	59
Wainuiomata Pool Renewals	298	53	245
Decarbonisation Energy Conversion (Huia Pool)	3,884	3,884	-
Decarbonisation Energy Conversion (Libraries)	490	-	490
Capital to replace existing assets			
Dowse Carpets and Soft Furnishings Gallery and Office	46	29	17
Dowse Office Furniture and Equipment	28	45	(17)
Dowse Museum Renewal	356	59	297
Petone Settlers Museum Building & Plant Renewal	9	-	9
Other Pool Projects	-	1,237	(1,237)
Furniture and Equipment Replacement Programme Libraries	362	36	326
Replace Library Shelving	123	18	104
Libraries Stock Replacement	695	592	103
Huia Pool Boiler Replacement, Hydro/LTS Pool	998	998	-
Little Theatre Renewal	123	4	119
Petone Library Renewal	4,900	28	4,872

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Eastbourne Pool Renewals	20	-	20
Stokes Valley Pool Renewals	101	19	82
Naenae Library Renewal	18	-	18
Wainuiomata Library Renewal	42	32	9
Total capital projects	**14,434**	**7,309**	**7,125**

Significant capital variations from Annual Plan

The capital underspend is mainly due to delays in the Petone Neighbourhood Hub renewal. This project was stopped in February 2026 following Council decisions.

The higher spending for Other Pool Projects and the Naenae Pool and Fitness Rebuild reflects work carried forward from the previous year. This includes the Huia Pool and Fitness renewal and safety and solar panel upgrades at Te Ngaengae. The funding for this work was carried over into the 2025–26 financial year and is included in the updated budget. The Dowse Heat Pump project was delayed due to poor weather conditions impacting the ability to maintain the temperature required for the art. The project will now be delivered in 2026-27. A range of projects were rescheduled because of delays to interdependent projects affected the timing and sequencing. This ensured services could continue to be delivered across Council facilities, including pools, museums and libraries.

Kāwanatanga, ko te rautaki me ngā kīwei o te kete
Governance, strategy, and partnerships

Statement of service performance

What we do

Council plays a crucial role in local democracy, and has two primary objectives;

- we are committed to enabling democratic local decision-making
- we are dedicated to promoting the wellbeing of communities through a sustainable development approach.

Our aim is to support our communities to participate actively in local decisions. This is how we ensure democratic processes are upheld and remain accountable to our community.

We provide Elected Members with the essential support and professional advice they need to make sound decisions for the city. Our dedication to democratic principles isn't just a legal requirement; but a representation of our aspirations for a city that's inclusive and promotes active public involvement.

Why we do it

Council's governance activities are driven by a commitment to enhancing the wellbeing of our communities both in the present and for future generations. The Local Government Act 2002 requires us to recognise and respect the principles of the Treaty of Waitangi, emphasising the Crown's responsibility to incorporate these principles. As a result, our partnership with Mana Whenua is essential in meeting our obligations and fostering a city where everyone thrives.

To achieve these goals, we engage in comprehensive governance-related services, strategic planning, policy development, and continuous monitoring and reporting. Our work aims not only to fulfil legal obligations but to create an inclusive, resilient environment that supports the diverse needs of our community members.

Key performance indicators
Governance, strategy, and partnerships

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Democratic services						
Our community are provided with the information they require to participate in the democratic process						
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%	100%	100%	✓	Target met.

Measure	Target 2025–26	Actual 2023–24	Actual 2024–25	Actual 2025–26	Year End vs Target	Variance reason
Residents' satisfaction with access to the decision-making process	≥ 80%	38%	44%	39%	×	Target not met. Satisfaction with access to the decision-making process was 39%, below the target of 80% and down from 44% in 2024-25. Resident feedback highlighted concerns about transparency, opportunities for meaningful engagement and whether community feedback is reflected in final decisions. Te Whiringa, Hutt City Council's Engagement Framework was adopted in December 2025 which aims to respond to this.
Residents' feel they have enough information to participate in democratic process	≥ 80%	48%[1]	47%[1]	51%	×	Target not met. The proportion of residents who felt they had enough information to participate in the democratic process was 51%, below the target of 80%, but higher than 47% in 2024-25. Resident feedback highlighted the need for clearer, more timely and accessible information, more targeted communication channels and stronger feedback loops showing how community input has been used. Te Whiringa, Hutt City Council's Engagement Framework aims to respond to this.

1. The comparative results for these two resident satisfaction measures have been reviewed and corrected where required in this Annual Report. The 2023-24 Annual Report previously reported these measures as 39% and 48% respectively. The corrected 2023-24 results are 38% for residents' satisfaction with access to the decision-making process and 48% for residents feeling they have enough information to participate in the democratic process. The 2024-25 Annual Report previously reported these measures as 44% and 49% respectively. The corrected 2024-25 results are 44% for residents' satisfaction with access to the decision-making process and 47% for residents feeling they have enough information to participate in the democratic process.

Prospective statement of comprehensive revenue and expense
Governance, strategy, and partnerships

For the year ended 30 June	2024-34 LTP (Year 1) 2025 $000	Actual 2025 $000	2024-34 LTP (Year 2) 2026 $000	Annual Plan 2026 $000	Actual 2026 $000	Annual Plan v Actual Variance 2026 $000
Revenue						
Rates income	-	-	-	-	-	-
User charges	-	-	-	-	-	-
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	-	-	230	199	217	18
Total revenue	**-**	**-**	**230**	**199**	**217**	**18**

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Expenditure						
Employee costs	1,398	1,320	1,471	1,428	1,280	148
Operating costs	2,188	1,876	2,748	2,849	2,578	271
Support costs	4,754	4,422	4,899	4,503	4,805	(302)
Gain/(loss) on prop revals, sales, disposals	-	-	-	-	27	(27)
Finance cost	-	-	-	-	-	-
Depreciation	6	7	3	7	9	(1)
Total expenditure	**8,346**	**7,625**	**9,121**	**8,787**	**8,699**	**88**
Deficit before tax	**(8,346)**	**(7,625)**	**(8,891)**	**(8,588)**	**(8,482)**	**106**

Operating projects

Governance, strategy, and partnerships

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Operating costs are favourable due savings for funding no longer required for some services and election costs. Employee costs are favourable to budget due to lower staffing levels than planned. Support cost variance is due to these being allocated based on revised budgets to reflect updated forecasts and actual service delivery.

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 key performance indicator measures were selected as part of the 10 Year Plan for this activity area.

Prospective statement of comprehensive revenue and expense
Corporate services

For the year ended 30 June	2024-34 LTP (Year 1)	Actual	2024-34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Revenue						
Rates income	113,131	113,989	127,010	124,575	126,167	1,591
Targeted rates income	71,903	73,280	84,313	85,536	85,911	375
User charges	273	(226)	279	96	282	185
Operating subsidies	-	-	-	-	-	-
Operating grants	11	-	11	-	27	27
Capital subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Interest earned	4,200	6,508	2,939	3,028	4,385	1,357
Dividends	104	107	108	106	6	(100)
Gain on prop disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	407	424	416	355	446	91
Gain/(loss) on revaluation of financial instruments	-	-	-	-	262	262
Total revenue	**190,029**	**194,082**	**215,077**	**213,696**	**217,486**	**3,789**
Expenditure						
Employee costs	17,568	18,962	17,892	18,603	18,479	124
Operating costs	11,635	6,729	9,591	8,377	7,903	474
Support costs	(33,678)	(31,482)	(33,354)	(32,371)	(32,521)	149
(Gain)/Loss on prop revals, sales, disposals	-	(57)	-	-	(187)	187
(Gain)/Loss on revaluation of financial instruments	-	5,277	-	-	-	-
Finance cost	3,818	6,536	4,032	3,216	4,416	(1,200)
Depreciation	1,130	937	1,908	1,222	1,093	129
Total expenditure	**473**	**6,903**	**69**	**(953)**	**(816)**	**(138)**
Surplus before tax	**189,556**	**187,180**	**215,007**	**214,649**	**218,302**	**3,652**

Operating projects

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Go Digital programme	3,548	2,657	892

Significant operating variations from Annual Plan

Revenue is favourable to budget mainly due to higher rates income and interest earned offset by no dividend income being received from Seaview Marina Limited.

Operating costs are favourable to budget mainly due to lower spend on the Go Digital Programme, lower software and licensing costs partly offset by costs relating to the new payable system. The operating budget in this activity also contains the Corporate Leadership Team savings target while actual savings were largely achieved across other activities such as city development. Interest expense is higher than budget due to timing changes in borrowings and is offset by higher interest income.

Employee costs are favourable mainly due to vacancies held. Support cost variance is due to these being allocated based on revised budgets to reflect updated forecasts and actual service delivery.

Capital projects acquisitions and renewals

Corporate services

For the year ended 30 June	Annual Plan	Actual	Annual Plan v Actual Variance
	2026 $000	2026 $000	2026 $000
Capital to improve level of service			
Other (IT) Projects	63	773	(710)
Facilities Seismic Strengthening	1,772	-	1,772
Vehicle Purchase	1,629	1,130	498
IT CCTV	204	148	56
The Pavilion Improvements	145	-	145
Capital to replace existing assets			
Pavilion Renewal	45	-	45
Civic Administration Building Renewal	73	4	69
Aerial Photography	61	55	6
Hardware – IT Infrastructure	562	93	469
Contingent Facilities Management Fund	734	116	618
Defibrillators	12	3	8
Petone Clock Tower Renewal	3	-	3
Laptop Refresh	-	382	(382)
Total capital projects	**5,302**	**2,704**	**2,598**

Significant capital variations from Annual Plan

The capital underspend in the Facilities Seismic Strengthening project is for War Memorial Library, which has been rescheduled to follow the Petone Neighbourhood Hub works to help manage service level impacts across the library network. The Other (IT) projects are overspent due to funding brought forward for the Network Refresh Project (approved in the revised budget). Vehicle purchases are underspent as a result of reduced supply of electric vehicles during the fuel crisis. Hardware - IT infrastructure funding was utilised for the Laptop Refresh Project. The Contingent Facilities Management Fund is underspent mainly due to the need to reprioritise the allocation of this budget to help fund the roof replacement of the pavilion building and work at the Dowse.

The Pavilion Improvements and Renewals project was delayed as work had to be reprioritised to cover urgent roof repairs with the unspent budget to be carried over to complete this work in 2026-27.

Ngā ringaringa me ngā waewae o te kaunihera
Subsidiaries 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

Key material measures included below

Seaview Marina Limited

Measure	Target	Actual
	2025-26	2025-26
Financial		
Achieve the prescribed return on equity[1]	Achieve greater than or equal to 0.7%	**Not achieved** 0.4%, due to surplus not meeting budget.
Risk management and human resources		
Notifiable health and safety incidents	Zero incidents	**Not achieved** One notifiable health and safety incident.
Marketing		
Implement a marketing strategy to improve occupancy rates	Berth occupancy equal or greater than 80%	**Not achieved** Average occupancy 75% (nearest whole %).

1. Return on equity is defined as Surplus/(Deficit) before tax and dividends and 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.

Urban Plus Limited

Urban Plus Ltd (UPL) Group is 100 percent owned by Hutt City Council. The UPL Group consists of Urban Plus Ltd and its 100 percent 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 expectation is that UPL continues the delivery of wider housing outcomes and benefits.

Key performance indicators

Key material measures included below

Urban Plus Limited

Measure	Target	Achieved
	2025-26	2025-26
Rental housing		
1.4 Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90% [1]	90%	**Achieved** 91%
1.5 Percentage of total housing units occupied by low-income elderly greater than or equal to 80% [2]	80%	**Not achieved** 76.47% identified NZ Super as their primary source of income. The existing tenants at recently acquired properties have lowered this percentage. 38 Britannia Street has not been included in this calculation because it is leased to Wellington City Mission, which provides housing for people in need. UPL is not responsible for, and does not hold records of, the individual tenants at this property[3]
1.6 Annual rental increases to be no greater than $50 per week per unit	No greater than $50 per week per unit	**Achieved** Rent increase $14 per week per unit
Property Development		
1.10 Capital expenditure within budget	Capital $17,547,109	**Achieved** $13,582,434, 23% under budget. This is primarily due to delays in the acquisition and commencement of new development projects. Challenging market conditions made it difficult to secure suitable development sites, resulting in project acquisitions occurring later than planned. Consequently, the commencement of design/construction phases will be expected to incur in the new financial year. Also, the commencing of Colson/ Hollard Grove project has been delayed in response to prevailing current market conditions.

Measure	Target	Achieved
	2025-26	2025-26
1.11 Operational expenditure within budget	Operating $2,084,096	**Achieved** $1,936,381, 7% under budget. Due to savings in personnel expenses resulting from unfilled positions.
1.13 All new housing units (standalone house or townhouse) shall achieve a certified Homestar design rating of at least six stars.	All new housing units to achieve a Homestar rating of at least six stars.	**Achieved** Cambridge Terrace: Designed and built to meet the Homestar rating but not New Zealand Green Building Council certified – third party assessor qualified as agreed with Shareholder. **Achieved** Tawhai: New Zealand Green Building Council certified.

1. This measure is based on a survey of tenants who, on a five-point rating scale (with three being "neutral"), rated their satisfaction as "satisfied" or better. There was a response rate of 38.5 percent from the 187 surveys sent. The resident satisfaction survey was conducted by PublicVoice.
2. Information on the existing tenants at 38 Britannia Street are not included in the calculation as this property is leased out to Wellington City Mission.
3. Homestar is an independent rating tool for assessing the health, efficiency, and sustainability of homes. Homestar built ratings are achieved after assessments completed once projects obtain practical completion.

Key performance indicators

Key material measures included below

UPL Developments Limited

Measure	Target	Achieved
	2025-26	2025-26
Capital expenditure within budget[1]	$18,789,016	**Achieved** $15,279,137, 19% under budget. This is primarily due to delays in the acquisition and commencement of new development projects. Challenging market conditions made it difficult to secure suitable development sites, resulting in project acquisitions occurring later than planned. Consequently, the commencement of design/ construction phases will be expected to incur in the new financial year. Also, the commencing of Colson/ Hollard Grove project has been delayed in response to prevailing current market conditions.
Operational expenditure within budget[2]	$350,202	**Not achieved** $507,603, 45% over budget. This is predominantly due to the market/agency fees for Tama Street being incurred in this financial year while these costs were originally budgeted for 2024/25 financial year. Also, due to unbudgeted agency fees for Tawhai Street resulting from the decision to move from Community Housing Provider to the open market after the budget had been set. Additionally, the management fee charges by UPL to UPL DL on the Wainuiomata Marae project is higher than budgeted due to more time required to progress the project.
All new housing units (standalone house or townhouse) shall achieve a certified Homestar design rating of at least six stars[3]	All new housing units (standalone house or townhouse) shall achieve a certified Homestar design rating of at least six stars.	**Achieved** Cambridge Terrace: Designed and built to meet the Homestar rating but not New Zealand Green Building Council certified certified – third-party assessor qualified as agreed with Shareholder. **Achieved** Tawhai: New Zealand Green Building Council certified.

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. The assessment criteria being: Either - an independent review by a certified Hutt City Council Homestar Assessor to qualify the design would satisfy and meet the appropriate the Homestar 6 standards for each UPL project – Or, via a formal registration and certification process via the New Zealand Green Building Council. The decision on which option to utilise is at the discretion of UPL officers in terms of financial impact to projects on a case-by-case basis.

Key performance indicators

Key material measures included below

UPL Limited Partnership

Measure	Target	Achieved
	2025-26	2025-26
Capital expenditure within budget[1]		**Not achieved** $56,104 This is the holding costs for the unsold units from the prior year. No budget was provided for these costs in the current financial year as the prior year's budget assumed that these properties would be sold in 2024/25 financial year.
Operational expenditure within budget[2]		**Not achieved** $210,771 This is mainly due to the agency fees for the unsold unit from the prior year. No budget was provided for these costs in the current financial year as the prior year budget assumed that these properties would be sold in 2024/25 financial year.
All new housing units (standalone house or townhouse) shall achieve a certified Homestar design rating of at least six stars or equivalent[3]		**Achieved** Cambridge Terrace: Designed and built to meet the Homestar rating but not New Zealand Green Building Council certified – third party assessor qualified as agreed with Shareholder. Tawhai: New Zealand Green Building Council certified.

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. The assessment criteria being: Either - an independent review by a certified HCC Homestar Assessor to qualify the design would satisfy and meet the appropriate the Homestar 6 standards for each UPL project – Or, via a formal registration and certification process via the New Zealand Green Building Council. The decision on which option to utilise is at the discretion of UPL officers in terms of financial impact to projects on a case-by-case basis.

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 (WWL) 2025–26 Annual Report.

Wellington Water Limited performance measurement systems

The following notes relate to performance measures outlined on pages 28-40 and 138-139 of the Annual Report.

We outsource the management of our three waters infrastructure to WWL. This includes the gathering of information to support the reporting of Council performance measures in these areas.

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.



Ken Laban

Koromatua o Te Awa Kairangi ki Tai
Mayor of Lower Hutt

28 October 2026



Jo Miller

Tumu Whakarae
Chief Executive

28 October 2026

Pūrongo Kaitātari Kaute
Independent Auditor's report

To the readers of the annual report of Hutt City Council for the year ended 30 June 2026

The Auditor-General is the auditor of Hutt City Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Debbie Bradfield, using the staff and resources of The Audit Office, to carry out the audit on his behalf.

We have audited the information in the annual report of the Council and the Group that we are required to audit in accordance with 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 Council has complied with the requirements of schedule 10 of the Act (schedule 10) that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

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

Opinion on the audited information

Unmodified opinion on the audited information excluding the statement of service provision

In our opinion:

- the financial statements on pages 91 to 162 present fairly, in all material respects, the Council and Group's financial position as at 30 June 2026, and the results of the operations and cash flows for the year ended on that date, in accordance with Public Benefit Entity Standards;
- the funding impact statement for the year ended 30 June 2026 on page 185, has been prepared, in all material respects, in accordance with clause 30 of schedule 10;
- the funding impact statements for each group of activities for the year ended 30 June 2026 on pages 172 to 184 have been prepared, in all material respects, in accordance with clause 26 of schedule 10; and
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities for the year ended 30 June 2026 on pages 172 to 186, have been prepared, in all material respects, in accordance with clause 24 of schedule 10.

Qualified opinion on the statement of service provision

In our opinion, except for the possible effects of the matters described in the Basis for our opinion on the audited information and the disclosure requirements section of our report, the statement of service provision (reported as "Our Performance") for the year ended 30 June 2026 on pages 22 to 30, 33 to 34, 37 to 38, 41 to 42, 45 to 46, 49 to 50, 52 to 54, 61 to 62, 65 to 66, 70 to 71, 75 to 76.

- is appropriate and meaningful and prepared in accordance with the Council's measurement bases or evaluation methods and Public Benefit Entity Standards; and
- presents fairly, in all material respects, the Council's actual levels of service for each group of activities, including the levels of service achieved compared with the intended levels of service, whether any intended changes to levels of service were achieved, and the reasons for any significant variation between the levels of service achieved and the intended levels of service.

Report on the disclosure requirements

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of schedule 10 for the year ended 30 June 2026; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2026 are complete and accurate.

Basis for our opinion on the audited information and the disclosure requirements

Statement of service provision: Our work was limited with respect to several performance measures as described below

The Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to:

- The total number of complaints received about water supply, wastewater, and stormwater.

- The average quality of ride on the sealed local road network, measured by smooth travel exposure.
- The percentage of customer service requests relating to roads and footpaths which are responded to within a specified timeframe.

These performance measures are important as they are indicative of the quality of service provided to the community.

We identified significant issues with these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures. Our opinion on these performance measures was also qualified in the 2025 performance year for similar reasons.

The total number of complaints received about water supply, wastewater, and stormwater

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The Council has not been counting complaints in accordance with this guidance, and the method of recording was likely to have understated the actual number of complaints received for these performance measures.

The average quality of ride on the sealed local road network, measured by smooth travel exposure

Reported performance of this performance measure is based on surveys of road roughness and traffic volumes. The traffic volumes are based on actual counts of certain roads and the use of these counts to estimate traffic volumes on the rest of the sealed local road network.

We were unable to obtain assurance over the reliability of estimated traffic volumes used in the calculation of this performance measure. This was because the actual traffic counts used as an input to estimate traffic volumes are not sufficiently up to date, with only a small portion of the road network having counts in the last four years.

Therefore, the Council does not have sufficiently reliable data to calculate the average quality of ride on the sealed local road network measured by smooth travel exposure. The actual quality of ride on the sealed local road network may differ materially from the result reported.

The percentage of customer service requests relating to roads and footpaths which are responded to within a seven-day timeframe

The Council was unable to report on its response time for customer service requests relating to roads and footpaths for the first three months of the performance year as the Council did not maintain sufficient appropriate evidence to support recorded response times. As described on page 53, the Council implemented a new customer request management system from 1 October 2025 and was able to report a result for the period from 1 October 2025 to 30 June 2026 using data from the new system.

Consequently, the reported result does not reflect the Council's performance for the full performance year. We were unable to determine whether any adjustment would be required to the nine months reported result to fairly reflect the performance of the Council for the full performance year.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): The Audit of Service Performance Information issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the Responsibilities of the auditor for the audited information and the disclosure requirements section of our 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 and our report on the disclosure requirements.

Emphasis of matters

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

Uncertainty over the fair value of three waters assets

Note 14 on page 133 outlines the significant uncertainty associated with the fair value of the Council's three waters assets. The extent to which recent changes in procurement arrangements and new delivery methods may result in future changes in construction costs is not yet known, which increases the uncertainty over the estimated fair value of these assets.

Local water done well reform

Note 31 on pages 160 to 162 outlines how the future changes in delivery of water services will affect the Council.

Simplifying Local Government reform

The Government has announced it wants to simplify Local Government, including reducing the number of local authorities by amalgamations within regions. As described in note 31 on page 162, the Council agreed to support the submission of a Head Start proposal to form a Wellington region-wide unitary authority, supported by Wellington City Council, Hutt

City Council, Porirua City Council and South Wairarapa District Council, with separate support from Greater Wellington Regional Council. The eventual outcome for the Council is dependent on future Cabinet decisions and enactment of enabling legislation. The current reform timeline indicates final Government decisions would be made in 2027 with the Head Start changes intended to be in place for the 2028 Local Government Elections. Because of the significant uncertainty about the outcome and timing of any future reorganisation, the financial statements have continued to be prepared on a going concern basis.

Responsibilities of the Council for the audited information and the disclosure requirements

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act. The Council's responsibilities include the preparation and fair presentation of the financial statements and service performance information in accordance with Public Benefit Entity Standards.

This includes:

- the selection of elements/aspects of service performance, performance measures and/or descriptions, and measurement bases or evaluation methods to enable the presentation of service performance information that is appropriate and meaningful; and
- the preparation of a statement of service provision, in accordance with the Council's measurement bases or evaluation methods, that provides an appropriate and meaningful basis to enable readers to assess what has been achieved for the year.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing the Council and the Group's 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 Council and the Group or there is no realistic alternative but to do so.

The Council's responsibilities arise under the Act and the Regulations.

Responsibilities of the auditor

Responsibilities 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 a 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 Council's Annual plan or Long-term plan as applicable.

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 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 evaluate whether the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods present an appropriate and meaningful assessment of the Council's service performance.
- We evaluate whether the service performance information is prepared in accordance with the

Council's measurement bases or evaluation methods, and presents fairly, in all material respects, in accordance with Public Benefit Entity Standards, the actual service performance achieved compared with the intended levels of service.

- 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 significant doubt on the ability of the Council and the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the information we audited 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 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 plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes 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.

Responsibilities for the disclosure requirements

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of schedule 10 to the Act and Part 2 of the Regulations; and
- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Act and the Public Audit Act 2001.

Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than 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.

In connection with our audit of the audited information and our report on the disclosure requirements, 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 Council and the Group in accordance with 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)* as applicable for audits of public interest entities issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit, we have carried out a limited assurance engagement related to the Council's debenture trust deed, which is compatible with the independence requirements. Other than the audit, our report on the disclosure requirements, and this engagement, we have no relationship with, or interests in, the Council or the Group.



Debbie Bradfield
The Audit Office
On behalf of the Auditor-General
Wellington, New Zealand
28 October 2026

Tauākī pūtea
Financial statements

Statement of comprehensive revenue and expenses

For the year ended 30 June 2026	Notes	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Revenue						
Rates	3.	212,078	210,111	187,269	211,538	186,780
Fees, charges, and metered water supply	4.	67,279	71,505	63,281	73,314	69,217
Development and financial contributions	4.	4,790	10,976	8,576	4,789	8,575
Subsidies and grants	4.	30,661	46,460	46,273	30,661	46,273
Finance income	5.	4,386	3,028	6,508	2,114	4,230
Other revenue	4.	8,261	7,101	9,114	8,453	9,278
Revenue from the sale of commercial developments		-	-	-	15,767	23,246
Gain on revaluation of financial instruments	6.	262	-	-	262	-
Gain on disposal	6.	107	1,093	-	50	-
Total revenue		**327,824**	**350,274**	**321,021**	**346,948**	**347,599**
Expenses						
Employee costs	7.	55,611	56,225	54,043	57,390	55,916
Other expenses	8.	171,143	175,979	157,407	194,761	181,941
Finance costs	5.	28,487	29,516	28,023	28,487	28,023
Loss on disposal	6.	-	-	680	-	683
Loss on revaluation of financial instruments	6.	-	-	5,277	-	5,277
Depreciation and amortisation costs	14–16.	93,967	106,110	89,596	95,531	91,235
Total expense		**349,208**	**367,830**	**335,026**	**376,169**	**363,075**
Share of associate's surplus/(deficit)	17.	-	-	-	(265)	(83)
Surplus/(deficit) before tax		**(21,384)**	**(17,556)**	**(14,005)**	**(29,486)**	**(15,559)**
Income tax expense/(benefit)	9.	395	-	(90)	(1,031)	(148)
Surplus/(deficit) after tax (attributed to Hutt City Council)		**(21,779)**	**(17,556)**	**(13,915)**	**(28,455)**	**(15,411)**
Other comprehensive revenue and expenses *Items that will not be reclassified to surplus/(deficit)*						
Gain/(losses) on property revaluations	24.	106,009	-	-	98,383	-
Deferred tax on revaluation	9.	(103)	-	-	641	-
Total other comprehensive revenue and expenses		**105,906**	**-**	**-**	**99,024**	**-**
Total comprehensive revenue and expenses (attributed to Hutt City Council)		**84,127**	**(17,556)**	**(13,915)**	**70,569**	**(15,411)**

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 2026	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2026 $000	2026 $000	2025 $000	2026 $000	2025 $000
Balance at 1 July		**3,025,612**	**3,021,307**	**3,039,527**	**3,081,725**	**3,097,136**
Total comprehensive revenue and expenses for the year		84,127	(17,556)	(13,915)	70,569	(15,411)
Balance at 30 June	24.	**3,109,740**	**3,003,751**	**3,025,612**	**3,152,295**	**3,081,725**

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 2026	Notes	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Assets						
Current assets						
Cash and cash equivalents	10.	9,976	17,312	31,119	23,012	53,545
Debtors and other receivables	11.	50,231	21,732	36,680	50,230	34,781
Inventories	13.	3,134	2,250	2,789	22,955	26,760
Derivative financial instruments	12.	-	3	-	-	-
Prepayments		4,166	7,983	12,630	4,414	12,896
Accrued interest		27	59	8	35	9
Other financial assets	18.	-	-	-	-	-
Non-current assets held for sale		-	1,303	-	-	-
Total current assets		**67,534**	**50,642**	**83,226**	**100,646**	**127,991**
Non-current assets						
Property, plant and equipment	14.	3,502,042	3,377,179	3,334,524	3,562,436	3,403,789
Intangible assets	15.	1,826	451	539	1,826	540
Assets under construction	14.	148,449	244,632	164,545	155,312	166,457
Investment property		-	-	-	3,734	3,734
Derivative financial instruments (A)	12.	160	4,092	324	160	324
Non-current receivable		1,011	-	1,048	1,011	1,048
Investment in associate	17.	200	200	200	1,040	1,305
Other financial assets	18.					
– Investment in CCO's and other similar entities		76,693	76,737	76,891	16,448	16,646
– Investment in other entities		455	455	455	455	455
Total other financial assets		**77,148**	**77,192**	**77,346**	**16,903**	**17,101**
Total non-current assets		**3,730,836**	**3,703,746**	**3,578,526**	**3,742,422**	**3,594,298**
Total assets		**3,798,370**	**3,754,388**	**3,661,752**	**3,843,068**	**3,722,289**
Liabilities						
Current liabilities						
Borrowings	20.	305,700	70,571	80,000	305,700	80,000
Creditors and other payables	19.	55,912	24,298	36,355	56,168	36,660
Employee entitlements	21.	5,777	5,321	5,831	5,970	5,968
Provisions - current	22.	493	-	534	493	534
Income tax payable	9.	-	-	-	-	-
Other liabilities	23.	11,276	6,649	9,182	11,495	9,506
Total current liabilities		**379,158**	**106,839**	**131,902**	**379,826**	**132,668**

As at 30 June 2026	Notes	Council Actual 2026 $000	Council Budget 2026 $000	Council Actual 2025 $000	Group Actual 2026 $000	Group Actual 2025 $000
Non-current liabilities						
Borrowings	20.	296,000	635,134	491,700	296,000	491,700
Employee entitlements	21.	484	380	458	558	511
Derivative financial instruments	12.	1,162	84	1,589	1,162	1,589
Provisions - non current	22.	11,319	8,200	10,491	11,319	10,491
Deferred tax liability	9.	506	-	-	1,906	3,605
Total non-current liabilities		**309,472**	**643,798**	**504,238**	**310,946**	**507,896**
Total liabilities		**688,629**	**750,637**	**636,140**	**690,772**	**640,564**
Net assets (assets minus liabilities)		**3,109,740**	**3,003,751**	**3,025,612**	**3,152,295**	**3,081,725**
Equity						
Accumulated funds	24.	684,539	685,799	705,261	688,916	716,314
Reserves	24.	2,425,201	2,317,952	2,320,351	2,463,379	2,365,411
Total equity (attributable to Hutt City Council)		**3,109,740**	**3,003,751**	**3,025,612**	**3,152,295**	**3,081,725**

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 2026	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2026 $000	2026 $000	2025 $000	2026 $000	2025 $000
Cash flows from operating activities						
Cash was provided from:						
Receipts from rates and levies – Council		209,765	208,411	183,694	209,225	183,205
Receipts from rates and levies – Greater Wellington Regional Council *		60,379	46,718	54,986	60,379	54,986
Receipts from user charges and other income		104,668	136,214	136,520	112,133	145,693
Receipts from sales of commercial developments		-	-	-	15,767	23,246
Interest received		4,475	3,028	6,152	2,196	3,880
Dividends		6	106	107	6	7
Net GST received from Inland Revenue **		-	-	3,012	-	3,012
		379,293	**394,477**	**384,471**	**399,705**	**414,029**
Cash was applied to:						
Payments to employees		(55,665)	(56,332)	(53,547)	(57,340)	(55,386)
Payments to suppliers		(154,635)	(175,429)	(160,418)	(165,146)	(164,746)
Purchase of inventory held for commercial development		-	-	-	(15,192)	(20,497)
Interest paid		(26,397)	(29,516)	(26,635)	(26,397)	(26,635)
Net GST paid to Inland Revenue **		(3,650)	-	-	(3,650)	-
Rates and levies passed to Greater Wellington Regional Council *		(59,505)	(46,718)	(52,565)	(59,505)	(52,565)
		(299,852)	**(307,995)**	**(293,165)**	**(327,230)**	**(319,829)**
Net cash flows from operating activities		**79,441**	**86,482**	**91,307**	**72,475**	**94,201**
Cash flows from investing activities						
Cash was provided from:						
Receipts from sale of property, plant and equipment		542	1,303	295	545	295
Other investment receipts		1,820	-	820	1,820	820
		2,362	**1,303**	**1,115**	**2,365**	**1,115**
Cash was applied to:						
Purchase of property, plant, and equipment		(127,331)	(244,473)	(143,483)	(129,758)	(144,160)
– less Upper Hutt City Council capital contribution		(3,785)	18,459	5,774	(3,785)	5,774
Purchase of intangible assets		(100)	(159)	-	(100)	-
Other payments and investments		(1,730)	(3,400)	(15,050)	(1,730)	(5,050)
		(132,946)	**(229,573)**	**(152,759)**	**(135,373)**	**(143,436)**
Net cash flows from investing activities		**(130,584)**	**(228,270)**	**(151,644)**	**(133,008)**	**(142,321)**

For the year ended 30 June 2026	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2026 $000	2026 $000	2025 $000	2026 $000	2025 $000
Cash flows from financing activities						
Cash was provided from:						
Proceeds from borrowings		110,000	197,173	101,000	110,000	101,000
Cash was applied to:						
Repayment of borrowings		(80,000)	(56,503)	(40,000)	(80,000)	(40,000)
Net cash flows from financing activities		**30,000**	**140,670**	**61,000**	**30,000**	**61,000**
Net increase/(decrease) in cash, cash equivalents, and bank overdrafts		(21,143)	(1,118)	663	(30,533)	12,880
Cash, cash equivalents, and bank overdrafts at the beginning of the year		31,119	18,430	30,456	53,545	40,665
Cash, cash equivalents, and bank overdrafts at the end of the year	10.	**9,976**	**17,312**	**31,119**	**23,012**	**53,545**

*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	
	2026 $000	2025 $000	2026 $000	2025 $000
Surplus after tax	**(21,779)**	**(13,915)**	**(28,455)**	**(15,411)**
Add/(less) non-cash items:				
Depreciation and amortisation	93,967	89,596	95,531	91,235
Share of associates (surplus)/deficit	-	-	265	83
Net bad debts/impairment expense	(153)	714	(135)	651
(Gain)/Loss on revaluation of financial instruments	(262)	5,277	(262)	5,277
Landfill provision	787	635	787	635
Vested assets	(1,059)	(1,479)	(1,059)	(1,479)
Income tax expense	395	(90)	(1,031)	(148)
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable and other assets	(5,335)	4,752	(3,016)	7,825
Increase/(decrease) in creditors	10,046	4,083	9,997	3,898
Increase/(decreased) in provisions and other liabilities	2,040	1,241	1,991	1,255
Increase in deferred tax liability	901	(187)	(2,089)	(303)
Add/(less) items classified as investing activities:				
Surplus on sale of property, plant and equipment and other movements	(107)	680	(50)	683
Net cash inflows from operating activities	**79,441**	**91,307**	**72,474**	**94,201**

Reconciliation of borrowing cash flows from financing activities

	Council and Group			
	2025 $000	Cash Flows $000	Non-Cash changes $000	2026 $000
	Opening	**Movements**	**Movements**	**Closing**
Current borrowing	80,000	(80,000)	305,700	305,700
Non-current borrowing	491,700	110,000	(305,700)	296,000
Total liabilities from financing activities	**571,700**	**30,000**	**-**	**601,700**

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

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

Āpitihanga tauākī pūtea
Notes to the financial statements

1. Statement of accountings policies

Reporting entity

Hutt City Council (the 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, Seaview Marina Ltd and Urban Plus Ltd Group (both 100 percent owned). The Urban Plus Ltd Group consists of Urban Plus Ltd and its 100 percent owned subsidiaries UPL Development Ltd and UPL Ltd Partnership. Council's 21 percent (2025: 20 percent) equity share of its associate Wellington Water Services Ltd is equity accounted into the group's financial statements. The Council's subsidiaries are incorporated and domiciled in New Zealand.

During the current year, UPL Ltd Partnership was wound up on 8 July 2026 following a resolution by Urban Plus Limited and with agreement of the board. All assets were realised and all financial and legal obligation were settled, with residual cash distributed to Urban Plus Limited (Parent) in April 2026. Accordingly, it is no longer part of the Urban Limited Group as at balance date.

Wellington Water Limited was amalgamated into Tiaki Wai Limited on 1 July 2026. Tiaki Wai Limited (incorporated in October 2025) owns and manages water assets to deliver drinking water, wastewater and piped stormwater services to people in the metropolitan Wellington area from 1 July 2026. While the Council holds an equity interest in Tiaki Wai Limited at 30 June 2026 (through the issue of one share to each of the founding shareholder councils), this is not considered material to the Group until 1 July 2026 when the transfer of water services occurred. As such, no investment in or results of Tiaki Wai Limited are included in the reported results of the Group to 30 June 2026. Refer Note 31: Events after balance date, for further information.

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, subsidiaries, and the associate is 30 June.

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

The financial statements of Council and the group are for the year ended 30 June 2026. The financial statements were authorised for issue by Council on 28 October 2026.

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 service performance information) 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 New Zealand Generally Accepted Accounting Practice.

The financial statements (and service performance information) have been prepared in accordance with and comply with Tier 1 PBE Accounting Standards.

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.

Standards issued and not effective and not early adopted

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

2024 Omnibus Amendment to PBE Standards (amendments to PBE IPSAS 1)

This amendment clarifies the principles for classifying a liability as current or noncurrent, particularly in relation to loan covenants. This amendment is effective for the years ended 30 June 2027. These amendments are not expected to have a significant impact.

PBE IFRS 17 Insurance Contracts

PBE IFRS 17 establishes principles for the recognition, measurement, presentation, and disclosure of insurance contracts and will replace PBE IFRS 4. This statement is effective for the year ended 30 June 2027. This standard is not expected to have a significant impact.

New or amended standards adopted

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1)

Disclosure of Fees for Audit Firms' Services (Amendments to PBE IPSAS 1 Presentation of Financial Reports) has been adopted in the preparation of these financial statements. The amendment changes the required disclosures for fees relating to services provided by the audit or review provider, including a requirement to disaggregate the fees into specified categories. This new disclosure is included in note 8.

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 determines 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 10 Year Plan 2024-2034, and then revised by the Annual Plan 2025-26. 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.

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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

The New Zealand Government is implementing a water services reform programme "Local Water Done Well" 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 council-controlled entities to take on the delivery of drinking water, wastewater, and stormwater services across New Zealand. During the current year, Tiaki Wai Limited was established by the regions councils as the council-controlled water services entity. More information can be found in note 31. Hutt City Council continues to recognise its three waters assets at 30 June 2026 in accordance 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, known as Tiaki Wai Limited. Also refer to note 31.

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**
	2026 $000	2026 $000	2025 $000
Revenue			
Environmental wellbeing			
Water supply	7,997	10,021	9,242
Wastewater	7,767	10,035	7,769
Stormwater	1,116	5,738	1,310
Solid waste	31,965	33,268	29,646
Sustainability and resilience	2,391	2,357	2,570
Regulatory services	15,681	15,506	12,771
Economic wellbeing			
Transport	32,545	43,107	38,702
City development	380	2,110	384
Social and cultural wellbeing			
Community partnering and support	1,202	1,147	1,472
Open spaces, parks, and reserves	3,163	5,007	5,500
Connectivity, creativity, learning, and recreation	5,751	8,083	17,575
Governance, strategy, and partnerships	190	199	-
Corporate Services	5,599	5,285	6,811
Total activity revenue	**115,747**	**141,863**	**133,752**
General rates	126,167	122,874	113,988
Targeted rates	85,911	85,537	73,281
Total revenue	**327,825**	**350,274**	**321,021**

	Council		
	Actual	Budget	Actual
	2026 $000	2026 $000	2025 $000
Expenditure			
Environmental wellbeing			
Water supply	62,322	67,102	53,022
Wastewater	55,115	63,228	51,904
Stormwater	29,078	28,513	26,774
Solid waste	34,006	33,654	30,923
Sustainability and resilience	4,740	4,930	4,635
Regulatory services	23,390	23,081	22,602
Economic wellbeing			
Transport	45,401	47,256	44,562
City development	10,624	13,771	11,676
Social and cultural wellbeing			
Community partnering and support	14,761	15,564	14,881
Open spaces, parks, and reserves	22,337	21,788	23,595
Connectivity, creativity, learning, and recreation	39,390	41,109	35,933
Governance, strategy, and partnerships	8,672	8,787	7,625
Corporate services	(627)	(953)	6,894
Total activity expenditure	**349,208**	**367,830**	**335,026**
Total operating expenditure	**349,208**	**367,830**	**335,026**
Surplus/(deficit) before tax	**(21,383)**	**(17,556)**	**(14,005)**

3. Rates revenue

Accounting policy

Rates revenue is measured at fair value.

General rates, 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 GWRC.

Breakdown of rates and further information

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
General rates	130,128	118,013	129,588	117,524
Targeted rates attributable to activities:				
– Water supply (excluding metered water supply rates)	34,465	28,568	34,465	28,568
– Wastewater	36,302	31,229	36,302	31,229
– Recycling	4,828	4,742	4,828	4,742
– Refuse collection	9,486	7,971	9,486	7,971
– Green waste collection	655	606	655	606
– Jackson Street programme	175	165	175	165
Rate penalties	2,936	2,102	2,936	2,102
Rates adjustment (internal rates)	(5,977)	(5,481)	(5,977)	(5,481)
Rates remissions	(920)	(646)	(920)	(646)
Total rates (excluding metered water supply rates)	**212,078**	**187,269**	**211,538**	**186,780**

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 Council for the year ended 30 June 2026 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is reflected in the table above.

Rates remissions

Council's rate remission policy (set out in detail in the 10 Year Plan 2024-2034) allows Council to remit rates in certain situations, for example: land used for sport or community purposes or land protected for historical or cultural purposes.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Rates remissions:				
– Pan remissions	509	462	509	462
– Penalty remissions	304	107	304	107
– Sports bodies and other	61	62	61	62
– Remission of targeted rates	34	15	34	15
– Natural calamity remission	3	-	3	-
– Heritage remission	9	-	9	-
Total rates remissions	**920**	**646**	**920**	**646**

The amount of rates written off, as required by the Local Government Act 2002 for the current year is $0.00 (2025: $Nil).

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 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 is recognised as waste is disposed by users.

NZ Transport Agency Waka Kotahi subsidies

Council receives funding assistance from NZ Transport Agency 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 for the developer of constructing the asset. For assets received from property developments, 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Fees, charges, and metered water supply				
Rent	3,189	3,215	9,277	9,181
Water by meter	5,791	5,915	5,738	5,880
Parking fees	3,820	3,577	3,820	3,577
Service and entry fees	4,587	4,389	4,587	4,394
Solid waste collection and disposal	31,848	29,085	31,848	29,085
Other user charges	1,246	1,175	1,246	1,175
Regulatory revenue	12,015	12,040	12,015	12,040
Penalties	4,783	3,885	4,783	3,885
Total fees, charges, and metered water supply	**67,279**	**63,281**	**73,314**	**69,217**
Subsidies and grants				
NZ Transport Agency Waka Kotahi subsidies	21,575	21,061	21,575	22,369
Other grants	9,086	25,212	9,086	23,904
Total subsidies and grants	**30,661**	**46,273**	**30,661**	**46,273**
Development and financial contributions				
Development contributions	3,576	4,805	3,575	4,804
Reserve financial contributions	1,215	3,771	1,215	3,771
Total development and financial contributions	**4,790**	**8,576**	**4,789**	**8,575**
Other revenue				
Upper Hutt City Council levy	4,465	3,983	4,465	3,983
Dividends	6	107	6	7
Vested assets	1,059	1,479	1,059	1,479
Petrol tax	373	388	373	388
Sale of goods	718	842	1,024	1,207
Miscellaneous revenue	1,640	2,315	1,526	2,214
Total other revenue	**8,261**	**9,114**	**8,453**	**9,278**

There are no unfulfilled conditions or other contingencies attached to NZ Transport Agency Waka Kotahi and other subsidies recognised.

Included in "Other grants" to June 2026, is $0M (2025: $12.2M) funding for Te Ngaengae Pool and Fitness and $5.2M (2025: $5.7M) funding for Tupua Horo Nuku (Eastern Bays 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 Council and the group incurs in connection with the borrowing of funds. Council and 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Finance income				
Interest revenue				
– call and term deposits	1,702	3,708	2,114	4,230
– related party loans	2,684	2,800	-	-
Total finance income	**4,386**	**6,508**	**2,114**	**4,230**
Finance costs				
Interest expense				
– interest on borrowings	27,936	27,504	27,936	27,504
– discount unwind on provisions (note 22)	551	519	551	519
Total finance costs	**28,487**	**28,023**	**28,487**	**28,023**
Net finance costs	**24,101**	**21,515**	**26,373**	**23,793**

6. Gains and losses

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Non-financial instruments				
Property, plant, and equipment gains/(losses) on disposal	107	(680)	50	(683)
Total non-financial instruments gains/(losses)	**107**	**(680)**	**50**	**(683)**
Financial instruments				
Gains/(Losses) on held for derivative financial instruments:				
- interest rate swaps	262	(5,277)	262	(5,277)
Total financial instruments gains/(losses)	**262**	**(5,277)**	**262**	**(5,277)**
Total gains/(losses)	**369**	**(5,957)**	**312**	**(5,960)**

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	
	2026 $000	2025 $000	2026 $000	2025 $000
Salaries and wages	51,487	50,583	53,138	52,313
Defined contribution plan employer contributions	1,534	1,422	1,579	1,470
Increase/(decrease) in employee entitlements/liabilities (refer note 21)	(28)	512	50	529
Other employee costs	2,618	1,526	2,623	1,604
Total employee costs	**55,611**	**54,043**	**57,390**	**55,916**

The Chief Executive received the following remuneration:

	2026			2025		
	Salary $	Post Employment Benefits $	Total Remuneration $	Salary $	Post Employment Benefits $	Total Remuneration $
Chief Executive	463,603	13,875	477,478	446,089	13,350	459,439

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

Employee staffing levels and remuneration

	Council		Group	
	2026	2025	2026	2025
Full-time equivalent salaried employees	527	528	542	542
Full-time equivalent waged and temporary employees	53	46	53	46
Total full time equivalent	**580**	**574**	**595**	**588**
Total number of staff	**711**	**720**	**726**	**734**

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

Salary range	Council 2026	Group 2026
$460,000 - $469,999	1	1
$200,000 - $339,999	6	8
$180,000 - $199,999	7	7
$160,000 - $179,999	14	14
$140,000 - $159,999	25	27
$120,000 - $139,999	57	58
$100,000 - $119,999	76	76
$80,000 - $99,999	118	124
$60,000 - $79,999	195	198
Less than $59,999	212	213
Total	**711**	**726**

Salary range	Council 2025	Group 2025
$200,000 - $459,999	6	6
$180,000 - $199,999	7	9
$160,000 - $179,999	6	7
$140,000 - $159,999	24	25
$120,000 - $139,999	49	50
$100,000 - $119,999	74	74
$80,000 - $99,999	121	126
$60,000 - $79,999	165	169
Less than $59,999	268	268
Total	**720**	**734**

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

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 and superannuation contributions or other contractual entitlement.

	Council		Group	
	2026 $	2025 $	2026 $	2025 $
Severance payments	6,000	-	6,000	-
Number of employees	2	-	2	-

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 payments for the current year was $3,500 and $2,500 (2025: $0).

8. Operating costs

Accounting policy

Grants

The Council's grants awarded have no substantive conditions attached.

Non-discretionary grants are those grants that are awards if the grant application meets the specified criteria and are recognised as an expense when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receiving the grant application and are recognised as an expense when approved by Council and the approval has been communicated to the applicant.

Operating leases

An operating lease is a lease that does not transfer all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Leases incentives received are recognised in the surplus or deficit as a reduction of rental expense over the lease term.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Auditors' fees - Audit New Zealand on behalf of the Auditor General				
– for auditing the financial statements and service performance - current year	310	299	430	421
– additional fee for auditing the financial statements and service performance - prior year	-	-	10	19
– for auditing the requirements under the debenture trust deed - current year	7	7	7	7
– for auditing the Long Term Plan 2024-2034	-	2	-	2
Auditors' fees - other auditors	1	20	3	20
Impairment of receivables	2,043	1,777	2,084	1,785
Directors' fees	-	-	181	167
Entertainment	33	29	33	29
Grants	3,431	4,019	3,431	4,019
Insurance	6,380	5,669	6,948	6,236
Cost of goods sold	1,165	928	16,611	22,111
Legal services	534	673	560	702
Other specialist services	16,775	11,412	17,263	11,598
Councillors remuneration	1,142	1,097	1,184	1,106
Minimum lease payments under operating leases	399	503	575	665
Operational contracts	41,130	37,075	41,331	37,243
Maintenance	14,149	13,019	15,187	14,103
GWRC bulk water charges	21,173	18,297	21,173	18,297
Energy costs	5,745	4,929	5,817	5,009
Other expenses	56,726	57,652	61,933	58,402
Total operating costs	**171,143**	**157,407**	**194,761**	**181,941**

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

		Council	Group		Council	Group	
		2026			2025		
		Remuneration $	Directors' fees $	Total remuneration $	Remuneration $	Directors' fees $	Total remuneration $
Mayor and councillors							
K Laban	**From October 25	118,576	-	118,576	-	-	-
C Barry	**Until October 25	57,157	-	57,157	165,126	-	165,126
K Brown		92,035	14,960	106,995	85,482	14,960	100,442
T Lewis		79,065	13,292	92,357	99,746	14,960	114,706
G Barratt		70,056	-	70,056	63,572	-	63,572
J Briggs	Until October 25	28,903	-	28,903	85,482	-	85,482
B Dyer		80,686	-	80,686	85,482	-	85,482
S Edwards		84,369	-	84,369	85,482	-	85,482
A Mitchell		84,369	-	84,369	85,482	-	85,482
K Morgan	Until October 25	22,194	-	22,194	65,639	-	65,639
C Parkin		67,533	-	67,533	65,639	-	65,639
T A Puketapu	From October 25	45,714	-	45,714	-	-	-
P Ravi	From October 25	45,339	-	45,339	-	-	-
N Shaw		74,811	-	74,811	77,522	-	77,522
T Stallinger		78,708	7,941	86,649	68,739	-	68,739
M Tonga-Grant	From October 25	45,339	-	45,339	-	-	-
G Tupou	Until October 25	21,495	-	21,495	63,572	-	63,572
K Yung	From October 25	45,339	-	45,339	-	-	-
Total		**1,141,688**	**36,193**	**1,177,881**	**1,096,965**	**29,920**	**1,126,885**
Total number of representatives		**14**	**2**	**13**	**13**	**2**	**13**

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.

Councillors can 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 are eligible to claim a communications allowance of $800 for private internet use and $500 for private mobile phone use.

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

		2026 $	2025 $
Eastbourne Community Board:			
B Spedding (Chair)	Chair from December 2025	12,327	7,485
B Moss (Chair)	Until October 25	5,062	14,971
J Chaston	From October 25	5,504	-
M Gibbons		7,973	7,485
B Hainsworth	From October 25	5,442	-
E Keddell		7,973	7,485
F Vickers	Until October 25	2,531	7,485
Total		**46,812**	**44,911**
Petone Community Board:			
M Fisher (Chair)	Chair until October 2025	6,025	17,822
S Freeman	Until October 2025	3,013	8,911
M Henderson	Until October 2025	3,013	8,911
S Kuresa	Until October 2025	3,013	8,911
M Roberts	Until October 2025	-	5,482
K Yung	Until October 2025	2,835	8,911
Total		**17,899**	**58,948**
Wainuiomata Community Board:			
L Bingley (Chair)	Chair from 4 December 25	15,459	9,387
T A Puketapu (Chair)	Chair until October 25	5,973	18,774
D Chrisp		9,999	9,387
L Clark	Until October 25	3,174	9,387
T Harker	Until October 25	3,174	9,387
A Ryall	From October 25	6,825	-
L Sagaga	From October 25	6,825	-
V Sagaga	From October 25	6,825	-
N Smith	From October 25	6,825	-
G Sue	Until October 25	3,174	9,387
Total		**68,253**	**56,322**

A home-based technology allowance of $45 per month will be provided to the Chairs of the Eastbourne, Petone and Wainuiomata Community Boards.

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

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 is 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Components of tax expense				
Current tax expense	-	7	-	7
Adjustments to current tax in prior years	(8)	(97)	27	(97)
Adjustments to deferred tax in prior years	-	-	343	96
Deferred tax expense	403	-	(1,401)	(154)
Tax expense/(benefit)	**395**	**(90)**	**(1,031)**	**(148)**
Relationship between tax expense and accounting surplus				
Net surplus/(deficit) before tax	(21,384)	(14,005)	(29,486)	(15,559)
Tax at 28%	(5,987)	(3,922)	(8,256)	(4,357)
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	-	(2)
Non-taxable revenue	6,186	4,047	6,779	4,158
Tax on partnership share	(140)	(118)	-	-
Group loss offset	(8)	(97)	-	-
Prior period adjustment		-	369	(2)
Deferred tax adjustment	344	-	77	55
Tax expense/(benefit)	**395**	**(90)**	**(1,031)**	**(148)**

Deferred tax asset/(liability)	Property, plant, and equipment	Other provisions	Tax losses	Deferred tax asset/ (liability)
Council				
Balance at 30 June 2024	-	-	-	-
Balance at 30 June 2025	-	-	-	-
Charged to surplus or deficit	(403)	-	-	(403)
Charged to equity	(103)	-	-	(103)
Balance at 30 June 2026	**(506)**	**-**	**-**	**(506)**
Group				
Balance at 30 June 2024	(3,879)	64	152	(3,663)
Charged to surplus or deficit	222	(12)	(152)	58
Charged to equity	-	-	-	-
Balance at 30 June 2025	**(3,657)**	**52**	**-**	**(3,605)**
Charged to surplus or deficit	510	15	533	1,058
Charged to equity	641	-	-	641
Balance at 30 June 2026	**(2,506)**	**67**	**533**	**(1,906)**

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

10. Cash and cash equivalents

Accounting policy

Cash and cash equivalents (current assets) comprise of 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Cash at bank and on hand	8,328	29,207	21,364	51,633
Retention trust account	1,648	1,912	1,648	1,912
Cash and cash equivalents	**9,976**	**31,119**	**23,012**	**53,545**

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value. Although cash and cash equivalents are subject to the expected credit loss requirements of PBE IPSAS 41, no loss allowance has been recognised because the estimated allowance is trivial.

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 (2025: $61,000), as shown in note 24.

Retention trust account held in relation to construction contracts resulting from legislation changes introduced in the Contractions Contract (Retention Money) Amendment Act 2023. This balance in not available for Council/ Group general operations.

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 (ECL).

Council and group apply the simplified ECL model of recognising lifetime ECL for short term receivables. In measuring ECL's, receivables have been grouped into rates receivables and other receivables and assessed in a collective basis because they possess shared credit risk characteristics. They have then been grouped based on the days past due. A provision matrix is then established on a historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

Rates are written off:

- When remitted in accordance with Council's rate remission policy; and
- In accordance with the write-off criteria of section 90A (where rates cannot be reasonably recovered) and 90B (in relation to Māori freehold land) of the Local Government (Rating) Act 2022.

Other receivables are 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Rates receivable	17,158	13,849	17,158	13,849
Other receivables:				
– Amounts due from related parties (note 26)	394	2,372	-	-
– GST receivable	5,502	1,852	5,502	1,852
– Other receivables	28,197	19,780	28,613	20,258
Total other receivables	**34,093**	**24,004**	**34,115**	**22,110**
Gross debtors and other receivables	**51,251**	**37,853**	**51,273**	**35,959**
Less allowance for credit losses	(1,020)	(1,173)	(1,043)	(1,178)
Total debtors and other receivables	**50,231**	**36,680**	**50,230**	**34,781**
Total receivables comprise of:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and charges that are partly subsidised by rates	46,701	31,925	47,094	32,398
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	3,530	4,755	3,136	2,383
	50,231	**36,680**	**50,230**	**34,781**

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 judgement council can apply to the Registrar of the High Court to have the judgement 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 LG(R)A 2002 (2025: $nil).

Other receivables

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is $nil (2025: $nil).

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

	2026			2025		
	Gross $000	Losses $000	Net $000	Gross $000	Losses $000	Net $000
Rates receivable – council						
Not past due	-	-	-	-	-	-
Past due 1-60 days	13,517	-	13,517	10,703	-	10,703
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	3,641	-	3,641	3,146	-	3,146
Total	**17,158**	**-**	**17,158**	**13,849**	**-**	**13,849**
Rates receivable – group						
Not past due	-	-	-	-	-	-
Past due 1-60 days	13,517	-	13,517	10,703	-	10,703
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	3,641	-	3,641	3,146	-	3,146
Total	**17,158**	**-**	**17,158**	**13,849**	**-**	**13,849**
Other receivables – council						
Not past due	29,614	-	29,614	17,032	-	17,032
Past due 1-30 days	683	-	683	1,172	-	1,172
Past due 31-60 days	1,119	-	1,119	771	-	771
Past due >60 days	2,677	(1,020)	1,657	5,029	(1,173)	3,856
Total	**34,093**	**(1,020)**	**33,073**	**24,004**	**(1,173)**	**22,831**
Other receivables – group						
Not past due	29,567	-	29,567	15,015	-	15,015
Past due 1-30 days	690	-	690	1,205	-	1,205
Past due 31-60 days	1,127	-	1,127	779	-	779
Past due >60 days	2,731	(1,088)	1,643	5,112	(1,178)	3,934
Total	**34,115**	**(1,043)**	**33,027**	**22,110**	**(1,178)**	**20,933**
Total receivables – council	**51,251**	**(1,020)**	**50,231**	**37,853**	**(1,173)**	**36,680**
Total receivables – group	**51,273**	**(1,043)**	**50,230**	**35,959**	**(1,178)**	**34,781**

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	
	2026 $000	2025 $000	2026 $000	2025 $000
Individual impairment	1,020	1,173	1,043	1,178
Collective impairment	-	-	-	-
Total expected credit losses	**1,020**	**1,173**	**1,043**	**1,178**

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	
	2026 $000	2025 $000	2026 $000	2025 $000
At 1 July	1,173	459	1,178	527
Additional allowance made during the year	3,084	727	3,107	733
Allowance reversed during the year	(1,173)	-	(1,178)	(69)
Receivables written-off during the period	(2,064)	(13)	(2,064)	(13)
At 30 June	**1,020**	**1,173**	**1,043**	**1,178**

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

No water related receivables which were invoiced prior to 30 June 2026 are expected to be transtion to Tiaki Wai Limited. Refer Note 31: Events after balance date, for further information.

12. Derivative financial instruments

Accounting policy

As explained further in Note 25C, Council's activities expose it to a variety of financial instruments risks, including interest rate risks. Council and group have a series of policies to manage the risk associated with financial instruments and seeks to minimise exposure from its treasury activities.

Derivative financial instruments are used to manage exposure to interest-rate risks arising from 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 and are subsequently measured at their fair value at each balance date. As the Council and group do not designate its 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Non-current asset portion				
Interest rate swaps – fair value through surplus or deficit	160	324	160	324
Total non-current asset portion	160	324	160	324
Total derivative financial instrument assets	**160**	**324**	**160**	**324**
Non-current liability portion				
Interest rate swaps – fair value through surplus or deficit	1,162	1,589	1,162	1,589
Total non-current liability portion	1,162	1,589	1,162	1,589
Total derivative financial instrument liabilities	**1,162**	**1,589**	**1,162**	**1,589**
Total derivative financial instruments	**(1,003)**	**(1,265)**	**(1,003)**	**(1,265)**

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 rates swaps were independently valued at 30 June 2026 by Hedgebook Limited.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for Council and group were $153M (2025: $167M). At 30 June 2026, the fixed interest rates of interest rate swaps vary from 1.82 percent to 4.99 percent (2025: 1.82 percent to 4.99 percent).

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	
	2026 $000	2025 $000	2026 $000	2025 $000
Commercial inventories held for sale:				
Diesel	-	-	14	7
Emission trading units	2,972	2,624	2,972	2,624
Inventory	162	165	162	165
Commercial property developments	-	-	19,807	23,964
Total inventories	**3,134**	**2,789**	**22,955**	**26,760**

No inventories are pledged as security for liabilities (2025: $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

Accounting policy

Property, plant, and equipment consist 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 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 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.

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 Council and 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 Council and 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
Operational assets		
Site improvements	2 - 49	2.04 - 50.00
Buildings	1 - 65	1.54 - 50.00
Landfill assets (including plant and infrastructure not associated with the network)	27 - 343	0.29 - 3.70
Library books	7	14.29
Plant and equipment	3 - 24	4.20 - 33.00
Vehicles	3 - 5	20.00 - 28.33
Wharves	30 - 42	2.41 - 3.33
Piers and berths	3 - 80	1.25 - 67.00
Breakwaters	84	1.19
Infrastructure assets		
Stormwater assets	Over 8 years	0.00 - 11.93
Water supply assets	7 - 56	1.79 - 14.29
Wastewater assets (including treatment plant)	Over 4 years	0.00 - 25.00
Roading network	Over 2 years	0.00 - 50.00
Seawalls	86	1.16

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 Council based on an apportionment formula equating to between 29 percent and 33 percent 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. Fore 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.

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 underestimating 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 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 group own a number of properties held to provide housing to 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 Council's social housing policy. The properties are therefore accounted for as property, plant, and equipment rather than as investment property.

Council 2026	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
Operational assets							
Land	71,759	-	71,759	-	-	-	-
Site improvements	44,682	(2,237)	42,446	7,759	-	(1)	-
Buildings	226,261	(7,146)	219,115	12,552	-	(25)	-
Landfill assets	72,752	(12,806)	59,946	8,622	-	(1,661)	-
Library books	7,738	(5,075)	2,663	696	-	(3,502)	-
Plant and equipment	23,966	(11,949)	12,016	1,794	-	(3,744)	-
Vehicles	3,447	(1,393)	2,054	1,087	-	(1,184)	-
Wharves	9,232	(1,404)	7,828	-	-	-	-
Breakwaters	5,435	(68)	5,367	-	-	-	-
Total	**465,272**	**(42,078)**	**423,194**	**32,510**	**-**	**(10,117)**	**-**
Collection assets							
Public art collections	2,428	-	2,428	-		-	-
Other collection items	17,601	-	17,601	85	-	-	-
Petone Settlers	281	-	281	-	-	-	-
Total collections	**20,310**	**-**	**20,310**	**85**	**-**	**-**	**-**
Total operational assets	**485,582**	**(42,078)**	**443,504**	**32,595**	**-**	**(10,117)**	**-**
Infrastructural assets							
Wastewater system	748,866	(25,658)	723,208	6,625	181	-	
Wastewater treatment plant	41,781	(3,239)	38,542	6,536	-	-	
Less UHCC share in HVS assets	(85,092)	2,773	(82,319)	3,785		-	-
Total	**705,555**	**(26,124)**	**679,431**	**16,946**	**181**	**-**	**-**
Land	32,229	-	32,229	29	12	-	-
Land under roads	146,980	-	146,980	-	58	-	-
Stormwater system	934,071	(20,371)	913,700	637	115	-	-
Water supply system	381,491	(16,070)	365,421	23,135	360	-	-
Roading network	561,973	(18,612)	543,361	51,820	180	-	(34,461)
Seawalls	6,104	(124)	5,980	29,478	-	-	34,461
Total infrastructural assets	**2,768,403**	**(81,301)**	**2,687,102**	**122,044**	**906**	**-**	**-**
Restricted assets							
Land	203,920	-	203,920	-	153	-	-
Total restricted assets	**203,920**	**-**	**203,920**	**-**	**153**	**-**	**-**
Total property, plant and equipment	**3,457,905**	**(123,379)**	**3,334,525**	**154,639**	**1,059**	**(10,117)**	**-**

Revaluation surplus/Impair charges to revaluation reserves $000	Accumulated depreciation on disposals $000	Accumulated depreciation on revaluation $000	Current year depreciation $000	Cost/ valuation $000	Accumulated depreciation and impairment charges $000	Carrying amount $000
(3,123)	-	-	-	68,636	-	68,636
(6,825)	-	4,946	(2,963)	45,615	(254)	45,362
11,583	-	13,845	(7,415)	250,371	(716)	249,655
-	1,661	-	(2,154)	79,713	(13,299)	66,414
-	3,502	-	(726)	4,932	(2,299)	2,633
-	3,719	-	(2,150)	22,016	(10,380)	11,635
-	799	-	(508)	3,350	(1,102)	2,248
-	-	-	(225)	9,232	(1,629)	7,603
45	-	126	(63)	5,480	(5)	5,475
1,680	**9,681**	**18,917**	**(16,204)**	**489,345**	**(29,684)**	**459,661**
15	-		-	2,443	-	2,443
183	-		-	17,869	-	17,869
(2)	-		-	279	-	279
196	**-**	**-**	**-**	**20,591**	**-**	**20,591**
1,876	**9,681**	**18,917**	**(16,204)**	**509,936**	**(29,684)**	**480,252**
28,424	-	48,048	(24,354)	784,096	(1,964)	782,132
(3,030)	-	6,850	(3,860)	45,287	(249)	45,038
(36,212)	-	(5,442)	3,023	(117,519)	354	(117,165)
(10,818)	**-**	**49,456**	**(25,191)**	**711,864**	**(1,859)**	**710,005**
365	-	-	-	32,635	-	32,635
-	-	-	-	147,038	-	147,038
(72,752)	-	37,726	(17,747)	862,071	(392)	861,679
41,927	-	30,669	(15,823)	446,913	(1,224)	445,689
(17,734)	-	35,109	(17,888)	561,778	(1,391)	560,387
2,668	-	983	(901)	72,711	(42)	72,669
(56,344)	**-**	**153,943**	**(77,550)**	**2,835,009**	**(4,908)**	**2,830,101**
(12,383)	-	-	-	191,690	-	191,690
(12,383)	**-**	**-**	**-**	**191,690**	**-**	**191,690**
(66,851)	**9,681**	**172,860**	**(93,754)**	**3,536,635**	**(34,592)**	**3,502,042**

Council 2025

	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
Operational assets							
Land	72,382	-	72,382	-	-	(623)	-
Site improvements	35,352	(157)	35,196	9,338	-	(8)	-
Buildings	156,232	(482)	155,750	70,175	-	(146)	-
Landfill assets	65,041	(11,058)	53,983	7,711	-	-	-
Library books	7,310	(4,286)	3,024	428	-	-	-
Plant and equipment	21,044	(9,768)	11,275	2,922	-	-	-
Vehicles	3,409	(1,287)	2,122	634	-	(596)	-
Wharves	9,232	(1,180)	8,052	-	-	-	-
Breakwaters	5,435	(5)	5,430	-	-	-	-
Total	**375,437**	**(28,223)**	**347,214**	**91,208**	**-**	**(1,373)**	**-**
Collection assets							
Public art collections	2,428	-	2,428	-		-	-
Other collection items	17,512	-	17,512	89	-	-	-
Petone Settlers	281	-	281	-	-	-	-
Total collections	**20,221**	**-**	**20,221**	**89**	**-**	**-**	**-**
Total operational assets	**395,658**	**(28,223)**	**367,435**	**91,297**	**-**	**(1,373)**	**-**
Infrastructural assets							
Wastewater system	728,689	(1,926)	726,763	19,873	304	-	-
Wastewater treatment plant	36,510	(241)	36,269	5,271	-	-	-
Less UHCC share in HVS assets	(79,318)	241	(79,077)	(5,774)		-	-
Total	**685,881**	**(1,926)**	**683,955**	**19,370**	**304**	**-**	**-**
Land	32,229	-	32,229	-	-	-	-
Land under roads	146,801	-	146,801	-	179	-	-
Stormwater system	929,176	(1,541)	927,635	4,777	118	-	-
Water supply system	359,455	(1,192)	358,263	21,587	449	-	-
Roading network	528,547	(1,380)	527,167	33,038	388	-	-
Seawalls	6,104	(9)	6,095			-	-
Total infrastructural assets	**2,688,193**	**(6,048)**	**2,682,145**	**78,772**	**1,438**	**-**	**-**
Restricted assets							
Land	203,848	-	203,848	31	41	-	-
Total restricted assets	**203,848**	**-**	**203,848**	**31**	**41**	**-**	**-**
Total property, plant and equipment	**3,287,699**	**(34,271)**	**3,253,427**	**170,100**	**1,479**	**(1,373)**	**-**

Revaluation surplus/Impair charges to revaluation reserves $000	Accumulated depreciation on disposals $000	Accumulated depreciation on revaluation $000	Current year depreciation $000	Cost/ valuation $000	Accumulated depreciation and impairment charges $000	Carrying amount $000
-	-	-	-	71,759	-	71,759
-	2	-	(2,082)	44,682	(2,237)	42,446
-	29	-	(6,693)	226,261	(7,146)	219,115
-	-	-	(1,748)	72,752	(12,806)	59,946
-	-	-	(789)	7,738	(5,075)	2,663
-	-	-	(2,181)	23,966	(11,949)	12,016
-	367	-	(473)	3,447	(1,393)	2,054
-	-	-	(224)	9,232	(1,404)	7,828
-	-	-	(63)	5,435	(68)	5,367
-	**398**	**-**	**(14,253)**	**465,272**	**(42,078)**	**423,194**
-	-	-	-	2,428	-	2,428
-	-	-	-	17,601	-	17,601
-	-	-	-	281	-	281
-	**-**	**-**	**-**	**20,310**	**-**	**20,310**
-	**398**	**-**	**(14,253)**	**485,582**	**(42,078)**	**443,504**
-	-	-	(23,732)	748,866	(25,658)	723,208
-	-	-	(2,998)	41,781	(3,239)	38,542
-	-	-	2,532	(85,092)	2,773	(82,319)
-	**-**	**-**	**(24,198)**	**705,555**	**(26,124)**	**679,431**
-	-		-	32,229	-	32,229
-	-		-	146,980	-	146,980
-	-		(18,830)	934,071	(20,371)	913,700
-	-		(14,878)	381,491	(16,070)	365,421
-	-		(17,232)	561,973	(18,612)	543,361
-	-		(115)	6,104	(124)	5,980
-	**-**	**-**	**(75,253)**	**2,768,403**	**(81,301)**	**2,687,102**
-	-	-	-	203,920	-	203,920
-	**-**	**-**	**-**	**203,920**	**-**	**203,920**
-	**398**	**-**	**(89,506)**	**3,457,905**	**(123,379)**	**3,334,525**

Group 2026	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
Operational assets							
Land	71,759	-	71,759	-	-	-	-
Site improvements	44,682	(2,237)	42,446	7,759	-	(1)	-
Buildings	226,261	(7,146)	219,115	12,552	-	(25)	-
Landfill assets	72,752	(12,806)	59,946	8,622	-	(1,661)	-
Library books	7,738	(5,075)	2,663	696	-	(3,502)	-
Plant and equipment	23,966	(11,949)	12,016	1,794	-	(3,744)	-
Vehicles	3,447	(1,393)	2,054	1,087	-	(1,184)	-
Wharves	9,232	(1,404)	7,828	-	-	-	-
Breakwaters	5,435	(68)	5,367	-	-	-	-
Seaview marina	21,818	(1,367)	20,451	211	-	(390)	-
Piers and berths	6,525	(2,670)	3,855	4	-	(55)	-
Urban Plus land	24,940	-	24,940	-	-	-	-
Urban Plus buildings	21,065	(1,148)	19,917	162	-	-	-
Urban Plus other assets	165	(64)	101	-	-	(1)	-
Total	**539,785**	**(47,327)**	**492,457**	**32,887**	**-**	**(10,563)**	**-**
Collection Assets							
Public art collection	2,428	-	2,428	-	-	-	-
Other collection items	17,601	-	17,601	85	-	-	-
Petone Settlers	281	-	281	-	-	-	-
Total collections	**20,310**	**-**	**20,310**	**85**	**-**	**-**	**-**
Total operational assets	**560,095**	**(47,327)**	**512,767**	**32,972**	**-**	**(10,563)**	**-**
Infrastructural assets							
Wastewater system	748,866	(25,658)	723,208	6,625	181	-	-
Wastewater treatment plant	41,781	(3,239)	38,542	6,536	-	-	-
Less UHCC share in HVS assets	(85,092)	2,773	(82,319)	3,785	-	-	-
Total	**705,555**	**(26,124)**	**679,431**	**16,946**	**181**	**-**	**-**
Land	32,229	-	32,229	29	12	-	-
Land under roads	146,980	-	146,980	-	58	-	-
Stormwater system	934,071	(20,371)	913,700	637	115	-	-
Water supply system	381,491	(16,070)	365,421	23,135	360	-	-
Roading network	561,973	(18,612)	543,361	51,820	180	-	(34,461)
Seawalls	6,104	(124)	5,980	29,478	-	-	34,461
Total infrastructural assets	**2,768,403**	**(81,301)**	**2,687,102**	**122,044**	**906**	**-**	**-**
Restricted assets							
Land	203,920	-	203,920	-	153	-	-
Total restricted assets	**203,920**	**-**	**203,920**	**-**	**153**	**-**	**-**
Total property, plant and equipment	**3,532,417**	**(128,628)**	**3,403,791**	**155,828**	**1,059**	**(10,563)**	**-**

Revaluation surplus/Impair charges to revaluation reserves $000	Accumulated depreciation on disposals $000	Accumulated depreciation on revaluation $000	Current year depreciation $000	Cost/ valuation $000	Accumulated depreciation and impairment charges $000	Carrying amount $000
(3,123)	-	-	-	68,636	-	68,636
(6,825)	-	4,946	(2,963)	45,615	(254)	45,362
11,583	-	13,845	(7,415)	250,371	(716)	249,655
-	1,661	-	(2,154)	79,713	(13,299)	66,414
-	3,502	-	(726)	4,932	(2,299)	2,633
-	3,719	-	(2,150)	22,016	(10,380)	11,635
-	799	-	(508)	3,350	(1,102)	2,248
-	-	-	(225)	9,232	(1,629)	7,603
45	-	126	(63)	5,480	(5)	5,475
386	357	452	(333)	22,025	(891)	21,134
-	31	-	(196)	6,474	(2,835)	3,639
(6,150)	-	-	-	18,790	-	18,790
(4,394)	-	2,080	(1,009)	16,833	(77)	16,756
-	1	-	(28)	164	(91)	73
(8,478)	**10,070**	**21,449**	**(17,770)**	**553,631**	**(33,578)**	**520,052**
15	-	-	-	2,443	-	2,443
183	-	-	-	17,869	-	17,869
(2)	-	-	-	279	-	279
196	**-**	**-**	**-**	**20,591**	**-**	**20,591**
(8,282)	**10,070**	**21,449**	**(17,770)**	**574,222**	**(33,578)**	**540,643**
28,424	-	48,048	(24,354)	784,096	(1,964)	782,132
(3,030)	-	6,850	(3,860)	45,287	(249)	45,038
(36,212)	-	(5,442)	3,023	(117,519)	354	(117,165)
(10,818)	**-**	**49,456**	**(25,191)**	**711,863**	**(1,859)**	**710,004**
365	-	-	-	32,635	-	32,635
-	-	-	-	147,038	-	147,038
(72,752)	-	37,726	(17,747)	862,070	(392)	861,678
41,927	-	30,669	(15,823)	446,913	(1,224)	445,689
(17,734)	-	35,109	(17,888)	561,778	(1,391)	560,387
2,668	-	983	(901)	72,711	(42)	72,669
(56,344)	**-**	**153,943**	**(77,550)**	**2,835,009**	**(4,908)**	**2,830,101**
(12,383)	-	-	-	191,690	-	191,690
(12,383)	**-**	**-**	**-**	**191,690**	**-**	**191,690**
(77,009)	**10,070**	**175,392**	**(95,320)**	**3,600,920**	**(38,486)**	**3,562,436**

Group 2025

	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
Operational assets							
Land	72,382	-	72,382	-	-	(623)	-
Site improvements	35,352	(157)	35,196	9,338	-	(8)	-
Buildings	156,232	(482)	155,750	70,175	-	(146)	-
Landfill assets	65,041	(11,058)	53,983	7,711	-	-	-
Library books	7,310	(4,286)	3,024	428	-	-	-
Plant and equipment	21,044	(9,768)	11,275	2,922	-	-	-
Vehicles	3,409	(1,287)	2,122	634	-	(596)	-
Wharves	9,232	(1,180)	8,052	-	-	-	-
Breakwaters	5,435	(5)	5,430	-	-	-	-
Seaview marina	21,676	(1,035)	20,641	157	-	(15)	-
Piers and berths	6,468	(2,473)	3,995	58	-	(1)	-
Urban Plus land	24,940	-	24,940	-	-	-	-
Urban Plus buildings	20,644	(81)	20,563	421	-	-	-
Urban Plus other assets	138	(35)	103	27	-	-	-
Total	**449,303**	**(31,847)**	**417,455**	**91,871**	**-**	**(1,389)**	**-**
Collection Assets							
Public art collection	2,428	-	2,428	-	-	-	-
Other collection items	17,512	-	17,512	89	-	-	-
Petone Settlers	281	-	281	-	-	-	-
Total collections	**20,221**	**-**	**20,221**	**89**	**-**	**-**	**-**
Total operational assets	**469,524**	**(31,847)**	**437,676**	**91,960**	**-**	**(1,389)**	**-**
Infrastructural assets							
Wastewater system	728,689	(1,926)	726,763	19,873	304	-	-
Wastewater treatment plant	36,510	(241)	36,269	5,271	-	-	-
Less UHCC share in HVS assets	(79,318)	241	(79,077)	(5,774)	-	-	-
Total	**685,881**	**(1,926)**	**683,955**	**19,370**	**304**	**-**	**-**
Land	32,229	-	32,229	-	-	-	-
Land under roads	146,801	-	146,801	-	179	-	-
Stormwater system	929,176	(1,541)	927,635	4,777	118	-	-
Water supply system	359,455	(1,192)	358,263	21,587	449	-	-
Roading network	528,547	(1,380)	527,167	33,038	388	-	-
Seawalls	6,104	(9)	6,095	-	-	-	-
Total infrastructural assets	**2,688,193**	**(6,048)**	**2,682,145**	**78,772**	**1,438**	**-**	**-**
Restricted assets							
Land	203,848	-	203,848	31	41	-	-
Total restricted assets	**203,848**	**-**	**203,848**	**31**	**41**	**-**	**-**
Total property, plant and equipment	**3,361,564**	**(37,895)**	**3,323,671**	**170,763**	**1,479**	**(1,389)**	**-**

Revaluation surplus/Impair charges to revaluation reserves $000	Accumulated depreciation on disposals $000	Accumulated depreciation on revaluation $000	Current year depreciation $000	Cost/ valuation $000	Accumulated depreciation and impairment charges $000	Carrying amount $000
-	-	-	-	71,759	-	71,759
-	2	-	(2,082)	44,682	(2,237)	42,446
-	29	-	(6,693)	226,261	(7,146)	219,115
-	-	-	(1,748)	72,752	(12,806)	59,946
-	-	-	(789)	7,738	(5,075)	2,663
-	-	-	(2,181)	23,966	(11,949)	12,016
-	367	-	(473)	3,447	(1,393)	2,054
-	-	-	(224)	9,232	(1,404)	7,828
-	-	-	(63)	5,435	(68)	5,367
-	12	-	(344)	21,818	(1,367)	20,451
-	1	-	(198)	6,525	(2,670)	3,855
-	-	-	-	24,940	-	24,940
-	-	-	(1,067)	21,065	(1,148)	19,917
-	-	-	(29)	165	(64)	101
-	**411**	**-**	**(15,891)**	**539,785**	**(47,327)**	**492,457**
-	-	-	-	2,428	-	2,428
-	-	-	-	17,601	-	17,601
-	-	-	-	281	-	281
-	**-**	**-**	**-**	**20,310**	**-**	**20,310**
-	**411**	**-**	**(15,891)**	**560,095**	**(47,327)**	**512,767**
-	-	-	(23,732)	748,866	(25,658)	723,208
-	-	-	(2,998)	41,781	(3,239)	38,542
-	-	-	2,532	(85,092)	2,773	(82,319)
-	**-**	**-**	**(24,198)**	**705,555**	**(26,124)**	**679,431**
-	-	-	-	32,229	-	32,229
-	-	-	-	146,980	-	146,980
-	-	-	(18,830)	934,071	(20,371)	913,700
-	-	-	(14,878)	381,491	(16,070)	365,421
-	-	-	(17,232)	561,973	(18,612)	543,361
-	-	-	(115)	6,104	(124)	5,980
-	**-**	**-**	**(75,253)**	**2,768,403**	**(81,301)**	**2,687,102**
-	-	-	-	203,920	-	203,920
-	**-**	**-**	**-**	**203,920**	**-**	**203,920**
-	**411**	**-**	**(91,144)**	**3,532,417**	**(128,628)**	**3,403,791**

Revaluations

Assets are valued at regular intervals by an independent registered valuer or whenever the carrying amount differs materially to fair value. In the years in which an asset class is not revalued, an assessment is made as to whether there has been any material change in the value of that asset class.

Operational and restricted land, buildings, and site improvements

The most recent performed independent valuations for Council's land and buildings effective 31 May 2026, was performed by Chris McCashin (MPINZ), of Aon Risk Solutions.

Key valuation assumptions include:

- 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.

A comparison of the carrying value of buildings valued using depreciated replace cost and buildings valued using market-based evidence is as follows:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Operational Buildings				
Depreciated replacement cost	239,427	211,588	239,427	211,588
Market-based evidence	10,228	7,283	48,119	47,895
Total carrying value of operational buildings	**249,655**	**219,115**	**287,546**	**259,483**
Total carrying value of restricted buildings	**-**	**-**	**-**	**-**

Collection items - Works of art

The most recent performed independent valuations for Council's Painting and works on paper effective 31 May 2026 was performed by Ben Ashley (AAA) of Aon Risk Solutions.

Key valuation assumptions include:

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

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 overdesign, over-capacity, and/or redundant assets, less an allowance for depreciation.

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.

Infrastructure land

The most recent performed independent valuations for Council's infrastructural land effective 31 May 2026, was performed by Chris McCashin (MPINZ), of Aon Risk Solutions.

Roading

The most recent independent valuations for roading assets (excluding land under roads) were performed by Peter Erceg (MPINZ), of Aon Risk Solutions, and the valuation is effective as at 31 May 2026.

Key valuation assumptions include:

- 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.

Water, wastewater, and stormwater

The most recent independent valuations for waste, storm and water infrastructural assets were performed by Jaimie Cable (MPINZ), of WSP, and the valuation is effective as at 31 May 2026.

The previous valuation was undertaken in 2024. Overall, there was minimal movement in the fair value of the three waters assets compared with the previous valuation.

Key valuation assumption include:

- 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 was used where indexation where 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.

- The 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.

During the 2024 valuation it was observed that, although unit rates used for reticulation assets were reflective of the optimised depreciated replacement cost based on current contract pricing from actual suppliers at the time, there was uncertainty in the unit rates. It was noted these contract costs may significantly change because of a planned review of Wellington Water Limited's (WWL) procurement processes and the potential impact of future changes to the region's water services delivery model. The increase in the 2024 unit rates are also higher than sector expectations, contributing to uncertainty over the sustainability of those rates.

The 2026 unit rate assessment in the 2026 valuation builds on the unit rate assessments undertaken in the 2024 valuation and there still continues to be uncertainty in establishing the unit rates as at 31 May 2026. In summary:

- The indices representing national changes in cost rates for 3 waters assets between 30 June 2024 and 31 May 2026 indicate on average an increase of 2% annually.
- The range of cost rates observed in the recent contract evidence has dropped slightly from the levels observed in the 2024 valuation analysis, reflecting the removal of post covid effects and the initial effects of the changes implemented at WWL.
- The available cost evidence did not yet include evidence of works fully commissioned and completed under the new procurement arrangements. The on-going programme of organisational and procurement changes taking place at WWL are expected to result in further cost efficiencies and therefore lower unit rates and on-costs, but the extent of efficiencies that can be gained from organisational and commercial changes at WWL, and the resulting reduction in unit rates and on-costs is not yet known.

While the general price indices reflect slight upward pressure on prices since June 2024, the changes at WWL are expected to result in downward pressure on the cost to bring new assets into operation. Due to the limited available evidence for cost information representative of costs under the new arrangements at WWL, there is significant uncertainty in the scale of this offsetting effect. Therefore, the revaluation concluded that no changes were required in replacement costs for reticulation assets from June 2024 to May 2026.

The price instability resulting from current global geopolitical uncertainty has not been specifically adjusted for in the cost indices used for this revaluation. At the time the valuation was undertaken, neither national average price indices nor other credible alternative data was available to reliably assess the magnitude or long-term impact of short-term price fluctuations on infrastructure asset replacement costs. Accordingly, infrastructure asset fair values continue to reflect longer-term pricing assumptions rather than short-term market volatility.

Overall a significant amount of uncertainty is still present in reference to the unit rates derived from WWL contracts. In addition, the potential impact of the pending changes to the region's water services delivery model remains and therefore continues to place uncertainty over the fair value of three waters assets as at 30 June 2026. Notwithstanding this uncertainty, the 2026 revaluation resulted in minimal movement in the fair value of the Council's three waters assets.

The changes to the region's water services delivery model are discussed further in Note 31: Events after balance date

Council's most recent estimate of the replacement cost of infrastructural asset is:

	2026 $000	Valuation Date	2025 $000	Valuation Date
Wastewater	2,389,668	31 May 2026	2,359,246	1 May 2025
Wastewater treatment plant	140,942	31 May 2026	140,409	1 May 2025
Stormwater	2,360,870	31 May 2026	2,423,699	1 May 2025
Water supply	1,423,977	31 May 2026	1,287,283	1 May 2025
Roading (excluding land under roads)	1,313,479	31 May 2026	1,157,840	31 May 2024
	7,628,936		**7,368,477**	

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 group is $117.2M (2025: $82.4M).

These assets will form part of the transfer of property, plant and equipment asset to Tiaki Wai Limited on the 1 July 2026.

Assets held by Subsidiaries

Seaview Marina Limited assets consist of nonspecialised 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 Chris McCashin (MPINZ) of Aon Risk Solutions, and the valuation is effective as at 31 May 2026.

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 Chris McCashin (MPINZ) of Aon Risk Solutions, and the valuation is effective as at 31 May 2026.

Tiaki Wai Limited

It is expected that the following three water assets will transfer to Tiaki Wai Limited on the 1 July 2026 (Refer Note 31: Events after balance date, for further information):

	Cost/ Valuation $000	Accumulated Depreciation $000	Net Book Value 30 June 26 $000
Waste water system	784,096	(1,964)	782,132
Waste water treatment plant	45,287	(249)	45,038
Less UHCC share in HVS assets	(117,519)	354	(117,165)
	711,864	**(1,859)**	**710,005**
Storm water system	775,795	(190)	775,605
Water supply system	446,913	(1,224)	445,689
Land - Reserves	5,045	-	5,045
Land - Infrastructure	20,857	-	20,857
Land - Operational	359	-	359
Buildings	1,289	(24)	1,265
Site Improvements	183	(4)	179
	1,962,305	**(3,301)**	**1,959,004**

Assets under construction

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

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Waste water system *	68,140	36,988	68,140	36,988
Storm water system *	8,300	5,707	8,300	5,707
Water supply system *	29,632	34,359	29,632	34,359
Roading network	1,039	46,017	1,039	46,017
Landfills	1,635	1,100	1,635	1,100
Land and site improvements	39,050	34,302	39,050	34,302
Buildings	-	4,552	6,573	6,461
Other	653	1,520	943	1,523
Total Assets under construction	**148,449**	**164,545**	**155,312**	**166,457**

* It is expected that the three water related work in progress will transfer to Tiaki Wai on the 1 July 2026. Refer Note 31: Events after balance date, for further information.

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 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 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 Council or 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.

Revaluation

Resource consent assets have been revalued for the first time as at 31 May 2026 to ensure their carrying amount does not differentiate materially from fair value. This independent valuation was performed by Jaime Cable (MPINZ), of WSP, and the valuation is effective as at 31 May 2026.

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 intangible 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.

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

	Years	Percentages
Computer software	5–10	10.00–20.00
Resource consents	9	10.86

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
Council 2026							
Software	552	(518)	34	100	-	(652)	-
Resource consents*	1,778	(1,273)	505	-	-	-	-
	2,330	**(1,791)**	**539**	**100**	**-**	**(652)**	**-**
Council 2025							
Software	552	(497)	55	-	-	-	-
Resource consents	1,778	(1,205)	573	-	-	-	-
	2,330	**(1,702)**	**628**	**-**	**-**	**-**	**-**
Group 2026							
Software	557	(520)	37	100	-	(657)	-
Resource consents*	1,779	(1,276)	503	-	-	-	-
	2,336	**(1,796)**	**540**	**100**	**-**	**(657)**	**-**
Group 2025							
Software	557	(499)	58	-	-	-	-
Resource consents	1,779	(1,208)	571	-	-	-	-
	2,336	**(1,707)**	**629**	**-**	**-**	**-**	**-**

* It is expected that all resource consents will transfer to Tiaki Wai Limited on the 1 July 2026. Refer Note 31: Events after balance date, for further information.

Revaluation surplus/Impair charges to revaluation reserves $000	Accumulated depreciation on disposals $000	Accumulated depreciation on revaluation $000	Current year depreciation $000	Cost/ valuation $000	Accumulated depreciation and impairment charges $000	Carrying amount $000
-	653	-	(135)	-	-	-
64	-	1,335	(78)	1,842	(16)	1,826
64	**653**	**1,335**	**(213)**	**1,842**	**(16)**	**1,826**
-	-	-	(21)	552	(518)	34
-	-	-	(68)	1,778	(1,273)	505
-	**-**	**-**	**(89)**	**2,330**	**(1,791)**	**539**
-	655	-	(135)	-	-	-
63	-	1,338	(78)	1,842	(16)	1,826
63	**655**	**1,338**	**(213)**	**1,842**	**(16)**	**1,826**
-	-	-	(21)	557	(520)	37
-	-	-	(68)	1,779	(1,276)	503
-	**-**	**-**	**(89)**	**2,336**	**(1,796)**	**540**

16. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2026 $000	Actual 2025 $000
Directly attributable depreciation and amortisation expense by activity (group of activity)		
Environmental wellbeing		
Water supply	15,822	14,877
Wastewater	25,512	24,544
Stormwater	17,747	18,830
Solid waste	2,583	2,136
Sustainability and resilience	128	132
Regulatory services	381	379
Economic wellbeing		
Transport	18,855	17,391
City development	-	-
Social and cultural wellbeing		
Community partnering and support	1,864	1,507
Open spaces, parks, and reserves	4,173	3,668
Connectivity, creativity, learning, and recreation	5,800	5,188
Governance, strategy, and partnerships	9	7
Corporate services	1,093	937
Total directly attributable depreciation and amortisation expense by group of activity	**93,967**	**89,596**
Depreciation and amortisation not directly attributable by group of activity	-	-
Total depreciation and amortisation expense	**93,967**	**89,596**

17. Investment in associate

Accounting policy

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

Where the group transacts with an associate, surpluses or deficits are eliminated to the extent of the group's interest in the associate.

The investment in the associate is carried at cost in the Council's parent entity financial statements.

Futher information on investment in associate

Wellington Water Limited was jointly created with Council 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 and is 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 21 percent (2025: 20 percent).

	Shares on issue	Hutt City Council	Wellington City Council	Upper Hutt Council	Porirua City Council	Greater Wellington Regional Council	South Wairarapa District Council
2026							
Class A shares (voting entitlements)	750	150	150	150	150	150	-
		20%	20%	20%	20%	20%	0%
Class B shares (financial entitlements)	475	100	200	40	60	75	-
		21%	42%	8%	13%	16%	0%
2025							
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	
	2026 $000	2025 $000	2026 $000	2025 $000
Wellington Water Limited				
Balance at beginning of the year	200	200	1,305	1,388
New shares issued	-	-	-	-
B shares sold	-	-	-	-
Share of operating surplus/(deficit)	-	-	(265)	(83)
Balance at end of year	**200**	**200**	**1,040**	**1,305**

	Total WWL		Group share	
	2026 $000	2025 $000	2026 $000	2025 $000
Revenue	398,787	402,425	83,745	80,485
Expenditure	399,434	403,160	83,881	80,632
Surplus (Deficit) before taxation	(647)	(735)	(136)	(147)
Taxation (Expense)/benefit	(614)	322	(129)	64
Surplus (Deficit) after taxation	**(1,261)**	**(413)**	**(265)**	**(83)**
Assets	84,060	120,290	17,653	24,058
Liabilities	78,900	113,644	16,569	22,729
Equity	5,160	6,646	1,085	1,330

On 15 June 2026, Wellington Water Limited completed a share buyback and cancellation of the shares held by South Wairarapa District Council. Since South Wairarapa District Council will not be a shareholding council of Tiaki Wai Limited, this was required to enable the amalgamation of Wellington Water Limited into Tiaki Wai Limited as part of the region's plan to deliver water services.

Wellington Water Limited was amalgamated into Tiaki Wai Limited on 1 July 2026. Tiaki Wai Limited (incorporated in October 2025) owns and manages water assets to deliver drinking water, wastewater and piped stormwater services to people in the metropolitan Wellington area from 1 July 2026. While the Council holds an equity interest in Tiaki Wai Limited at 30 June 2026 (through the issue of one share to each of the founding shareholder councils), this is not considered material to the Group until 1 July 2026 when the transfer of water services occurred. As such,

no investment in or results of Tiaki Wai Limited are included in the reported results of the Group to 30 June 2026. Refer Note 31: Events after balance date, for further information.

It is expected that once the transfer has been completed, Council will own approximately 24 percent of the ownership interest in Tiaki Wai Limited and has 20 percent of the voting rights in the Partners Committee. However, the Council has significant influence over Tiaki Wai Limited because it participates in Tiaki Wai Limited's formal governance framework through the Partners Committee, Partner Reserved Matters and the Statement of Expectations process, which enables the Council to participate in Tiaki Wai Limited's financial and operating policy decisions.

18. Other financial assets

Accounting Policies

Other financial assets (other than shares in subsidiaries) are initially recognised at fair value.

Shares in subsidiaries and loans to related parties are recorded as cost in Council's parent entity financial statements.

Unlisted shares and investment in other entities are recorded at cost. If the fair value drops below the cost value, the loss will be recognised in surplus or deficit.

Borrower notes are initially recorded at cost and subsequently revalued by independent value at year end to fair value, with the fair value gains or losses recognised in surplus or deficit.

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Current portion				
Short-term deposits with original maturities greater than 3 months	-	-	-	-
Total other financial assets – current portion	**-**	**-**	**-**	**-**
Non-current portion				
Investment in subsidiaries and other similar entities				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 30)	45,700	45,700	-	-
Unlisted shares in Local Government Funding Agency	100	100	100	100
Unlisted shares in Ratepayers Assistance Scheme	230	-	230	-
Borrower notes from Local Government Funding Agency	16,118	16,546	16,118	16,546
Total investment in subsidiaries and other similar entities	**76,693**	**76,891**	**16,448**	**16,646**
Investment in other entities				
NZ Local Government Insurance Company	455	455	455	455
Total investment in other entities	**455**	**455**	**455**	**455**
Total other financial assets – non-current portion	**77,148**	**77,346**	**16,903**	**17,101**
Total other financial assets	**77,148**	**77,346**	**16,903**	**17,101**

Loans to related parties and shares in subsidiaries are those transactions with Urban Plus Limited and Seaview Marina Limited – 100 percent owned subsidiaries. Expected credit losses measured for these financial assets are trivial. They are low risk, and Council has not identified any indication that credit risk associated with those instruments has significantly increased since initial recognition. Council does not hold any collateral for it loan assets.

Unlisted Shares

The fair value of the unlisted shares held in Local Government Funding Agency, Ratepayers Assistance Scheme and NZ Local Government Insurance Company has been determined using historical cost.

Impairment

There has been no impairment provision made for those investments in unlisted shares (2025 $nil).

Borrower Notes/Tiaki Wai Limited

It is expected that on 1 July 2026, $4.9M of borrower notes from Local Government Funding Agency will be novated to Tiaki Wai Limited. The borrower notes to transfer will be align with the underlaying debt transfer as outlined in note 20. Also refer Note 31: Events after balance date, for further information.

19. Creditors and other payables

Accounting policy

Short-term creditors and other payables are recorded at the amount payable.

Breakdown of creditors and other payables

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Trade and other payables	9,630	1,474	9,630	1,474
Deposits and bonds	394	487	419	489
Accrued expenses	40,934	30,129	41,139	30,432
Rates in advance	3,332	2,336	3,332	2,336
Amounts due to customers for contract work	1,622	1,929	1,648	1,929
Total creditors and other payables	**55,912**	**36,355**	**56,168**	**36,660**

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. Interest due on the borrowings is subsequently accrued and recorded in other liabilities (refer to note 23) using the effective interest rate.

Borrowings are classified as current liabilities, unless Council or 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Current portion				
Bank overdraft	-	-	-	-
Secured loans	305,700	80,000	305,700	80,000
Total current portion	**305,700**	**80,000**	**305,700**	**80,000**
Non-current portion				
Secured loans	296,000	491,700	296,000	491,700
Total non-current portion	**296,000**	**491,700**	**296,000**	**491,700**
Total borrowing	**601,700**	**571,700**	**601,700**	**571,700**

Maturity profile

	Interest cost		Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000	2026 $000	2025 $000
Years of maturity						
Under 1 year	14,193	3,849	305,700	80,000	305,700	80,000
1 to 2 years	3,250	3,161	70,000	65,700	70,000	65,700
2 to 3 years	4,179	4,811	90,000	100,000	90,000	100,000
3 to 4 years	3,714	5,292	80,000	110,000	80,000	110,000
4 to 5 years	1,904	4,811	41,000	100,000	41,000	100,000
Over 5 years	696	5,581	15,000	116,000	15,000	116,000
Total borrowing	**27,936**	**27,504**	**601,700**	**571,700**	**601,700**	**571,700**

Secured loans

Council's debt of $602M (2025: $572M) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 1.73 percent to 6.0707 percent (2025: 1.4738 percent to 6.0707 percent). 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 rate revenue in favour of the Trustee.

Council has $60M of wholesale advance facilities split between Westpac Banking Corporation for $25M (2025: $25M), and New Zealand Local Government Funding Agency for $35M (2025: $35M). As at 30 June a total of $nil (2025: $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 (2025: $250,000). The facility is undrawn at balance date (2025: $nil).

Internal borrowings

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

Interest terms for secured loans

Council's secured loans is a 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.

Tiaki Wai Limited

It is expected that on 1 July 2026, $260M of total borrowing will be novated to Tiaki Wai Limited. The debt to transfer will be a representative sub-set of total debt in terms with original maturity date as follows (Refer to Note 31: Events after balance date, for further information). For reporting purposes above, this debt is now classified as current debt.

21. Employee entitlements

Accounting policy

Short-term benefits

Employee benefits that Council and 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 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Current portion				
Accrued salaries and wages	1,432	1,264	1,481	1,264
Time in lieu	70	41	70	41
Annual leave	2,931	2,994	3,073	3,127
Annual leave - historical obligation *	1,324	1,495	1,324	1,496
Long service leave	20	37	22	40
Total current portion	**5,777**	**5,831**	**5,970**	**5,968**
Non-current portion				
Retirement gratuities	484	458	558	511
Total non-current portion	**484**	**458**	**558**	**511**
Total employee entitlements	**6,261**	**6,289**	**6,529**	**6,479**

* 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 years ending 30 June 2023 to 2026, payments were made to both current employees and former employees to settle these shortfalls. Further detailed calculations were performed for the period up to 26 February 2026 with payments being made from July 2026 onwards. The project has been paused pending a new HRIS and Payroll system implementation. Once this solution is which is expected to be delivered by October 2026 at which point, any final then HARP will finalise any further amounts owing to both current and former employees will be made.

Employee entitlements to transfer to Tiaki Wai Limited

On the 1 July 2026, 7 employees involved in water services, will transfer to Tiaki Wai Limited, along with their accrued entitlements at that date. Of the above total employee entitlements, $35,000 is expected to be transferred. Refer to Note 31: Events after balance date for further information.

22. Provisions

Accounting policy

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

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognised as an interest expense and is included in "finance costs" (refer note 5).

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 30 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	
	2026 $000	2025 $000	2026 $000	2025 $000
Provision for landfill aftercare	11,812	11,025	11,812	11,025
Total provisions	**11,812**	**11,025**	**11,812**	**11,025**
Current	493	534	493	534
Non-current	11,319	10,491	11,319	10,491
Total provisions	**11,812**	**11,025**	**11,812**	**11,025**

Movements in provision

	Landfill aftercare	
	2026 $000	2025 $000
Balance at beginning of the year	11,025	10,390
Discount unwinding	551	519
Amounts charged to provision during the period	236	116
Balance at end of the year (non-current liability)	**11,812**	**11,025**

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 5.3M cubic metres. The estimated available airspace in the completed section of the landfill is 410,000 cubic metres (2025: 100,000 cubic metres) with work underway to provide an additional 278,000 cubic meters over the next 1-2 years. Airspace usage is currently approximately 150,000 cubic metres (2025: 150,000 cubic metres) per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for 16 years, is projected to be approximately 22-27 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 to 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 percent (2025: 5.0 percent) and an inflation rate of 2.0 percent (2025: 2.0 percent) over a projected 30 year timeframe (2025: 25 years).

The provision is independently valued by Rosanna Ede (NZSA) and Colin Downie (FNZSA) of EriksenGlobal Limited and is effective as at 30 June 2026.

23. Other liabilities

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Other liabilities – current portion				
Accrued interest expenses	7,085	5,546	7,085	5,546
Third party funds	212	177	212	177
Emission trading liability	410	472	410	472
Miscellaneous current liabilities	534	231	577	277
Income earned in advance	3,035	2,756	3,211	3,034
Total other liabilities	**11,276**	**9,182**	**11,495**	**9,506**

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 reserve
- restricted reserves
- asset revaluation reserves

Accumulated comprehensive revenue and expenses is Council and group's accumulated surplus or deficit since the formation of 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.

Breakdown of equity and further information

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Accumulated funds				
Balance at beginning of the year	705,261	721,205	716,314	733,754
Deferred tax on revaluations	-	-	-	-
Interest allocated to reserves	(1,478)	(1,409)	(1,478)	(1,409)
Other adjustments	-	-	-	-
Other transfers to reserves	(1,684)	(4,641)	(1,684)	(4,641)
Transfers from reserves	4,218	4,021	4,218	4,021
Net surplus/(deficit) after tax	(21,779)	(13,915)	(28,455)	(15,411)
Accumulated funds – balance at end of the year	**684,539**	**705,261**	**688,916**	**716,314**
Council created reserves				
Balance at beginning of the year	45,006	42,979	45,006	42,979
Transfers to accumulated funds	(4,218)	(4,021)	(4,218)	(4,021)
Transfers from accumulated funds	1,684	4,641	1,684	4,641
Interest earned	1,475	1,407	1,475	1,407
Council created reserves – balance at end of the year	**43,947**	**45,006**	**43,947**	**45,006**

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Restricted reserves				
Balance at beginning of the year	61	59	61	59
Transfers to accumulated funds	-	-	-	-
Interest earned	3	2	3	2
Restricted reserves – balance at end of the year	**64**	**61**	**64**	**61**
Asset revaluation reserve				
Balance at beginning of the year	2,275,284	2,275,284	2,320,344	2,320,344
Changes in asset value - revaluation	106,009	-	98,383	-
Other adjustments	-	-	-	-
Deferred tax on revaluation	(103)	-	641	-
Asset revaluation reserve – balance at end of the year	**2,381,190**	**2,275,284**	**2,419,368**	**2,320,344**
Asset revaluation reserves consist of:				
Operational assets				
– Buildings	98,564	73,136	105,775	82,174
– Site improvements*	12,056	13,935	12,349	14,313
– Land*	36,363	39,485	73,544	81,637
– Breakwater	1,398	1,330	1,398	1,330
– Public art collections	2,180	2,165	2,180	2,165
– Museum collections	17,326	17,145	17,326	17,145
– Intangibles - resource consents	1,399	-	1,399	-
Infrastructure assets				
– Land	23,017	22,652	16,510	16,145
– Wastewater	588,581	551,342	588,581	551,342
– Stormwater	804,873	839,900	804,872	839,899
– Water	344,814	272,219	344,814	272,219
– Road	317,409	300,034	317,409	300,034
– Seawall	7,939	4,288	7,939	4,288
Restricted assets				
– Land	125,269	137,652	125,269	137,652
Total asset revaluation reserves	**2,381,190**	**2,275,284**	**2,419,368**	**2,320,344**
Total other reserves	**2,425,201**	**2,320,351**	**2,463,379**	**2,365,411**
Total equity	**3,109,740**	**3,025,612**	**3,152,295**	**3,081,725**

Further information on Council-created and restricted reserves can be found in the 'Other legislative disclosures' section of this report.

*Comparatives - The presentation of some information has changed from the previous period with prior period balances re-classified to be comparable with current year figures.

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 2026 $000	Council 2025 $000	Group 2026 $000	Group 2025 $000
Financial assets					
Fair value through surplus or deficit					
Borrower notes from Local Government Funding Agency	18.	16,118	16,546	16,118	16,546
Derivative financial instrument assets	12.	160	324	160	324
Total fair value through surplus or deficit		**16,278**	**16,870**	**16,278**	**16,870**
Finance assets at amortised costs					
Cash and cash equivalents	10.	9,976	31,119	23,012	53,545
Short term deposits with original maturities greater than three months	18.	-	-	-	-
Debtors and other receivables (excluding rates and GST receivables)	11.	27,571	20,979	27,570	19,080
Other financial assets:					
Loans to related parties	18.	45,700	45,700	-	-
Total finance assets at amortised costs		**83,247**	**97,798**	**50,582**	**72,625**
Other financial assets					
Fair value through other comprehensive revenue or expenditure					
– NZ Local Government Insurance Company	18.	455	455	455	455
– NZ Local Government Funding Agency	18.	100	100	100	100
– Ratepayers Assistence Scheme	18.	230	-	230	-
Total fair value through other comprehensive revenue or expenditure		**785**	**555**	**785**	**555**
Total financial assets		**100,310**	**115,223**	**67,645**	**90,050**
Financial liabilities					
Fair value through surplus or deficit					
Derivative financial instrument liabilities	12.	1,162	1,589	1,162	1,589
Total fair value through surplus or deficit		**1,162**	**1,589**	**1,162**	**1,589**
Financial liabilities at amortised cost					
Trade creditors and other payables	19.	52,580	34,019	52,836	34,324
Income tax payable	9.	-	-	-	-
Borrowings:					
– secured loans	20.	601,700	571,700	601,700	571,700
Total financial liabilities at amortised cost		**654,280**	**605,719**	**654,536**	**606,024**
Total financial liabilities		**655,442**	**607,308**	**655,698**	**607,613**

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.

	2026				2025			
	Valuation Technique				Valuation Technique			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	Quoted market price $000	Observable inputs $000	Significant non-observable inputs $000	Total $000	Quoted market price $000	Observable inputs $000	Significant non-observable inputs $000	Total $000
Council and Group								
Financial assets								
Derivatives	-	160	-	160	-	324	-	324
Borrower notes	-	16,118	-	16,118	-	16,546	-	16,546
Shares	-	-	785	785	-	-	555	555
Financial liabilities								
Derivatives	-	1,162	-	1,162	-	1,589	-	1,589

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:

	2026 $000	2025 $000
Balance at 1 July	555	555
Gain and losses recognised in the surplus or deficit	-	-
Purchases	230	-
Sales	-	-
Balance at 30 June	**785**	**555**

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

25C. Financial instruments risks

Council's and group activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council and group has 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 Council does not have any foreign currency risk (2025: $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. The proportion of gross borrowing at a fixed interest rate for the year ended is 34 percent (2025: 49 percent)

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 invest 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 2026 $000	Council 2025 $000	Group 2026 $000	Group 2025 $000
Cash, cash equivalents, and term deposits	10.	9,976	31,119	23,012	53,545
Debtors and other receivables (excluding rates and GST receivalbles)	11.	27,571	20,979	27,570	19,080
Other assets	18.	455	455	455	455
	18.	-	-	-	-
Loans to related parties	18.	45,700	45,700	-	-
	28.	-	-	-	-
Derivative financial instrument assets (interest rate swaps and options)	12.	160	324	160	324
Total credit risk		**83,862**	**98,577**	**51,197**	**73,404**

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 2026 $000	Council 2025 $000	Group 2026 $000	Group 2025 $000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	9,976	31,119	23,012	53,545
Total cash at bank and term deposits	**9,976**	**31,119**	**23,012**	**53,545**
Derivative financial instrument assets				
AA -	160	324	160	324
Total derivative financial instrument assets	**160**	**324**	**160**	**324**
Counterparties without credit ratings				
Community and related party loans				
Existing counterparty with no defaults in the past	45,700	45,700	-	-
Total community, development, and related party loans	**45,700**	**45,700**	**-**	**-**

Loans to related parties in the contractual maturity analysis contractual cash flows do not reflect the current year. $45.7 million is non-current (2025: $45.7 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, and 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 Council's long term and annual plans. Council has a policy to maintain the overdraft facility to below $250,000 at any one time and has undrawn credit facilities totalling $60M (2025: $60M).

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.

	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
Council 2026						
Trade and other payables	9,630	9,630	9,630	–	–	–
Net settled derivative liabilities	1,162	1,162	244	313	512	93
Income tax payable	–	–	–	–	–	–
Secured loans	601,700	629,636	319,893	167,429	126,618	15,696
Total	**612,492**	**640,428**	**329,767**	**167,742**	**127,130**	**15,789**
Group 2026						
Trade and other payables	9,630	9,630	9,630	–	–	–
Net settled derivative liabilities	1,162	1,162	244	313	512	93
Income tax payable	–	–	–	–	–	–
Secured loans	601,700	629,636	319,893	167,429	126,618	15,696
Total	**612,492**	**640,428**	**329,767**	**167,742**	**127,130**	**15,789**
Council 2025						
Trade and other payables	1,474	1,474	1,474	-	-	-
Net settled derivative liabilities	1,589	1,589	78	632	592	287
Income tax payable	-	-	-	-	-	-
Secured loans	571,700	599,205	83,849	173,672	220,103	121,581
Total	**574,763**	**602,268**	**85,401**	**174,304**	**220,695**	**121,868**
Group 2025						
Trade and other payables	1,474	1,474	1,474	-	-	-
Net settled derivative liabilities	1,589	1,589	78	632	592	287
Income tax payable	-	-	-	-	-	-
Secured loans	571,700	599,205	83,849	173,672	220,103	121,581
Total	**574,763**	**602,268**	**85,401**	**174,304**	**220,695**	**121,868**

Council is exposed to liquidity risk as a guarantor of all of 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
Council 2026						
Cash and cash equivalents	9,976	9,976	9,976	-	-	-
Debtors and other receivables (excluding rates and GST receivables)	27,571	27,571	27,571	-	-	-
Net settled derivative assets	160	160	8	-	61	91
Other financial assets:						
- loans to related parties	45,700	45,700	-	45,700	-	-
Total	**83,407**	**83,407**	**37,555**	**45,700**	**61**	**91**
Group 2026						
Cash and cash equivalents	23,012	23,012	23,012	-	-	-
Debtors and other receivables (excluding rates GST receivables)	**27,570**	**27,570**	**27,570**	**-**	**-**	**-**
Net settled derivative assets	160	160	8	-	61	91
Total	**50,742**	**50,742**	**50,590**	**-**	**61**	**91**
Council 2025						
Cash and cash equivalents	31,119	31,119	31,119	-	-	-
Debtors and other receivables (excluding rates and GST receivables)	20,979	20,979	20,979	-	-	-
Net settled derivative assets	324	324	-	65	84	175
Other financial assets:						
- loans to related parties	45,700	45,700	-	45,700	-	-
Total	**98,122**	**98,122**	**52,098**	**45,765**	**84**	**175**
Group 2025						
Cash and cash equivalents	53,545	53,545	53,545	-	-	-
Debtors and other receivables (excluding rates and GST receivables)	19,080	19,080	19,080	-	-	-
Net settled derivative assets	324	324	-	65	84	175
Total	**72,949**	**72,949**	**72,625**	**65**	**84**	**175**

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.

	2026				2025			
	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
Council and Group								
Financial assets								
Derivatives held for trading	(891)	-	1,166	-	(1,310)	-	1,229	-
Financial liabilities								
Derivatives held for trading	(3,950)	-	1,544		(4,007)		3,806	-
Borrowing:								
- short term loans	-	-	-	-	-	-	-	-
- term loans	2,050	-	(2,050)	-	2,900	-	(2,900)	
Total sensitivity to interest rate risk	**(2,791)**	**-**	**660**	**-**	**(2,417)**	**-**	**2,135**	**-**

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 (2025: $nil). A movement in interest rates of plus or minus 1 percent has an effect on interest expense of $nil (2025: $nil).

Term loans

Council has term floating rate debt with a principal amount totalling $205M (2025: $290M). A movement in interest rates of plus or minus 1 percent has an effect on interest expense of $2.05M (2025: $2.90M). A movement in market interest rates on fixed rate debt $396M (2025: $282M) 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, being Urban Plus Limited (and their group), 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 that those that it is reasonable to expect Council and group would have adopted in dealing with the party at arm's length in the same circumstances.

Related party disclosures have been made for transactions with entities within the Council 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 they include:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Urban Plus Group				
– Receipt for support costs	188	184	-	-
– Receipt for interest	2,513	2,629	-	-
– Receipt for rates	381	331	-	-
– Receipt for water charges	4	3	-	-
Seaview Marina Limited				
– Revenue from support costs	127	125	-	-
– Receipt for interest	171	171	-	-
– Receipt for rates	158	144	-	-
– Receipt for water charges	49	31	-	-
– Receipt for lease charges	127	127	-	-
– Receipt for dividends	-	100	-	-
Total transactions with related parties within the council group	**3,719**	**3,845**	**-**	**-**

The following balances are outstanding at the end of the reporting period in relation to transactions with entities within the Council Group:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Urban Plus Group				
– Current account receivable	346	2,407	-	-
– Non-current loans to UPL	43,000	43,000	-	-
Seaview Marina Limited				
– Current account receivable / (payable)	48	(34)	-	-
– Non-current loans to SML	2,700	2,700	-	-
Total outstanding balances with related parties within the Council Group	**46,094**	**48,072**	**-**	**-**

Transactions with key management personnel

Key management personnel include the Chief Executive and executive members of the Corporate Leadership Team as noted below. The disclosure for elected members is included in note 8.

	Council & Group	
	2026 $000	2025 $000
Key management personnel costs		
Salary and other short term benefits	1,453	1,492
Post-employment benefits	45	45
Total key management personnel costs	**1,498**	**1,537**
Total full time equivalent	**4.5**	**5**

27. Capital commitments and operating leases

Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Property, plant, and equipment				
– 3 water networks*	123,420	15,689	123,420	15,689
– Roading network	10,481	5,378	10,481	5,378
– Buildings	133	6,252	576	6,252
– Other	1,579	2,247	1,952	2,247
Total capital commitments	**135,613**	**29,566**	**136,429**	**29,566**

Capital commitments represent capital expenditure contracted for at balance date but no yet incurred.

*It is expected that on the 1 July 2026, $123.4M of water related capital commitments will be transferred to Tiaki Wai Limited. Also refer to Note 31: Events after balance date, for further information.

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 leases payments payable under non-cancellable leases are as follows:

	Council		Group	
	2026 $000	2025 $000	2026 $000	2025 $000
Not later than one year	230	230	240	240
Later than one year and not later than five years	920	760	920	760
Later than five years	174	334	174	334
Total non-cancellable operating leases	**1,324**	**1,324**	**1,334**	**1,334**

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is $nil (2025: $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 leasor

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	
	2026 $000	2025 $000	2026 $000	2025 $000
Not later than one year	504	615	863	903
Later than one year and not later than five years	1,500	1,640	1,830	2,002
Later than five years	925	1,202	925	1,202
Total operating leases as leasor	**2,929**	**3,457**	**3,618**	**4,107**

No contingent rents have been recognised in the statement of comprehensive revenue and expenses during the period.

28. Contingencies

Legal proceedings and other disputes

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-weathertight defects (in a mixed claim involving both weathertight and non-weathertight 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) (2025: $nil).

There are no material contingent liabilities associated with the Tiaki Wai Limited (associate) (2025: N/A). Tiaki Wai Limited has issued 350M of preference shares that will remain unpaid with a subscription price of $1 per share. Council has been assigned 70M shares (or 20 percent). In accordance with the "Subscription Deed – Uncalled Capital Facility", they are only callable if specified "Trigger Event" requirements are met following an agreed approval or expert determination process. This is envisaged to provide Tiaki Wai with a funding mechanism of last resort (e.g. where there is a risk of insolvency, failing financial covenants or inability to deliver essential water services) and is only callable before 30 June 2036 or earlier if certain defined debt ratios are met. A further 50M unpaid redeemable preference shares will be issued on a proportionate basis between the shareholding councils after any adjustment to the estimated net asset transfer values. Any call would be made on a pro-rata basis reflecting each council's total preference shareholding. The maximum call for the Council would therefore be $70M plus any amount that derives from the issue of the further 50M shares. At 30 June 2026, no trigger event was evident.

New Zealand Local Government Funding Agency (LGFA)

As at 30 June 2026, Council is one of 30 local authority shareholders of LGFA. Council' has uncalled capital of $100,000 (2025: $100,000). When aggregated with the uncalled capital of other shareholders, $20m is available in the event that an imminent default is identified.

As at 30 June 2026, Council is one of 74 local authority guarantors of LGFA. LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand. LGFA has a local currency credit rating from S&P Global Ratings of AAA and a foreign currency rating of AA+ and a local currency rating and foreign currency rating of AA+ from Fitch.

Together with the other shareholders and guarantors, Council is a guarantor of all of LGFA's borrowings. Any call on the guarantee will be made on a pro-rata basis according to each guarantor's prior year annual rates revenue. If a guarantor fails to pay its pro-rata share, the other guarantors will be called on for payment on a pro-rata basis. At 30 June 2026, LGFA had borrowings totalling $28.43B (2025: $26.34B).

PBE Accounting Standards require the council to measure the LGFA guarantee liability at the higher of, the loss allowance at balance date determined by the ECL model, and the amount initially recognised. At the end of the financial year, the Council has assessed the 12-month expected credit losses of the guarantee liability, based on market information on the underlying assets held by the LGFA. The estimated 12-month expected credit losses are immaterial due to the extremely low probability of default by the LGFA in the next 12 months. Therefore, Council 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

Council has borrowed $602M (2025: $572M) from the LGFA which is recognised as a liability in the parent and group financial statements.

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.

Major budget variations

Explanations for major variations from council's budgeted figures in the Annual Plan 2025-26 are as follows.

The statement of comprehensive revenue and expenses discloses the financial performance of Council and group for the financial year ended 30 June 2026. The statement shows the operating revenue and expenditure as well as other transactions that have impacted on Council's and group's wealth. Significant variances are as follows:

- Rates, excluding metered water supply rates is $2.0M above budget and is largely due to higher growth together with increased level of overdue payment penalties and other minor variances.
- Fees, charges, and metered rates for water supply is $4.2M below budget mainly due to activity volumes being lower than anticipated across a range of areas such as pools, consents and landfill.
- Development and financial contributions are $6.2M below budget which reflects a slowdown in development activity occurring in the city.
- Subsidies and grants are $15.8M below budget reflecting the unavoidable delays and deferrals of capital projects along with delayed NZ Transport Agency Waka Kotahi funding approval resulting in lower related subsidy and grant revenue.
- Other expenses are $4.8M below budget largely due to lower than budgeted spend within Water supply and Wastewater with programme reprioritisation and rescheduling and delays in the Seaview Wastewater Treatment Plant programme. The Development Stimulus Incentives project and District Plan were also underspent. These were partly offset by higher spend on Stormwater due to unexpected events, such as blocked drains, culvert collapse, a sinkhole and February stormwater recovery, and higher Solid Waste costs due to the landfill aftercare provision and contract costs for kerbside collections.
- Depreciation and amortisation expenses is $12.1M below budget due to unexpected delays in commissioning and capitalisation of three water and transport network assets resulting in lower depreciation charges.
- The above have contributed to net deficit after tax of $21.8M compared to a budget deficit after tax of $17.6M
- Gain on property valuation of $106M reflects the fair value of significant assets revalued as at 31 May 2026 by independent valuers.
- The above have contributed to net surplus after tax of $84.1M compared to a budget deficit after tax of $17.6M.

The statement of financial position (that is, what Council own and owe) is as at 30 June 2026. The following are significant variances in the statement of financial position:

- Cash and cash equivalents (including budgeted overdraft) is $7.3M below budget. Refer to cash flow explanations.
- Debtors and other receivables is $28.5M higher than budget mainly due to increase level of rate debtors due at year end and a one-off $8M receivable from GWRC in relation to IAF funding/Riverlink Project.
- Prepayments are $3.8M below budget. This relates to the insurance policies for infrastructure assets expiring 1 July 2026 as the assets transition to Tiaki Wai Limited.
- Property, plant, and equipment is $124.9M above budget - due largely to the revaluation of significant assets as at 31 May 2026.
- Assets under construction is $96.2M below budget – due largely to Council approval to defer capital projects experiencing unavoidable delays.
- Creditors and other payables are $25M above budget. This is due to timing of payments to suppliers for operational and capital expenditure (asset under construction). Other liabilities are $11.6M above budget. This is due to timing of payments to suppliers for operational and capital expenditure (asset under construction) and a one-off payment of $8M payable to Tiaki Wai in relation to IAF funding/Riverlink Project.
- Borrowings are $104.0M below budget mainly due to unavoidable delays and deferral of capital projects.
- Non-current provisions are $3.1M above budget resulting from higher landfill aftercare provision due to changes in inflation and interest rate assumptions and extending the period of cover by five years.
- The accumulation of the above results in net assets and Equity being $106M above budgeted level.

The following are significant variances in the statement of cash flows:

- Cash inflow from operations is $7M below budget and relates mainly to lower level of payment to suppliers than expected in the budget.
- Cash outflow from Investing is $97.7M below budget and relates mainly to unavoidable delays and deferrals of capital projects as noted above.
- Cash inflow from financing $110.7M below budget and relates to lower borrowing level to fund the capital project programme as noted above.

Detailed explanations for 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 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

There are no events after the end of the reporting period that require adjustment to the financial statements or notes to the finanical statements.

The following update has been included due to the significant impact the programme is likely to have on the Council, including substantially all water-relating infrastructure assets.

Three Waters Reform/ Local Water Done Well

On 1 July 2026 the Council transferred management of water-related services, and specified assets and liabilities including ownership of substantially all water related infrastructure assets (i.e. drinking water, wastewater and stormwater) to Tiaki Wai Limited.

In December 2023, the New Zealand Government announced a change in direction for water services policy and legislation which it called Local Water Done Well. This resulted in the enactment of the Local Government (Water Services) Act 2025 which established a framework for local government to provide water services.

As a result of the legislation, Wellington City Council, Hutt City Council, Porirua City Council, Upper Hutt City Council and Greater Wellington Regional Council developed a joint Metropolitan Wellington Water Services Delivery Plan (Plan) for delivering water services to metropolitan Wellington residents and businesses through a new organisation (Tiaki Wai) with new funding and governance arrangements. The Plan was accepted by the Secretary for Local Government in October 2025 and showed how the participating councils would deliver water services in a way that:

- met relevant regulatory quality standards for stormwater, wastewater and water supply networks;
- was financially sustainable;
- ensured compliance with drinking water quality standards; and
- supported the Council's housing growth and urban development objectives.

Ownership and operation of Tiaki Wai Limited

To deliver the plan, a new Water Service Provider Council Controlled Organisation (Tiaki Wai) was formed by the five shareholding councils in partnership with non-shareholding Mana Whenua iwi Te Rūnanga o Toa Rangatira and Taranaki Whānui ki Te Upoko o Te Ika. On 1 July 2026, Wellington Water Limited was amalgamated into Tiaki Wai, which then took over its statutory responsibility for delivering water services, including taking ownership (via the transfer of net assets from the shareholding councils) of substantially all water-related infrastructure assets.

As at 1 July 2026, a summary of the share ownership of Tiaki Wai Limited was as follows:

	No. of ordinary shares held	Ordinary shares held %	No. of preference shares held	Preference shares held %
Council				
Hutt City Council	179,457,701	24	70,000,000	20
Porirua City Council	119,902,351	16	52,500,000	15
Upper Hutt City Council	80,405,401	11	24,500,000	7
Greater Wellington Regional COuncil	54,240,183	7	59,500,000	17
Wellington City Council	321,545,437	43	143,500,000	41
	755,551,073	**100**	**350,000,000**	**100**

The share allocation above was based on estimated net assets advised prior to completion of the transfer to Tiaki Wai. Based on the latest calculation of net assets to be transferred, the Council's shareholding is expected to increase from 179,457,700 shares to approximately 181,175,700 shares, subject to finalisation under the Transfer Agreement.

The rights and responsibilities of the five shareholding councils and Mana Whenua partners are not solely determined by the proportion of Ordinary shares held. Rather they are documented in Tiaki Wai's Constitution and Partners' Agreement and are based on a shared and collective decision-making and governance model.

The amount of Ordinary shares issued, which confer ownership rights, were based on the relative amount of estimated net assets transferred to Tiaki Wai by the participating councils (see below). While the Council is both a significant shareholder and Partner, it does not have control and is subject to the shared and collective decision-making and governance mechanisms noted above. As such the Council has significant influence over the ongoing decisions and operations of Tiaki Wai and has classified its investment in Tiaki Wai as an associate.

The Preference shares will remain unpaid with a subscription price of $1 per share. In accordance with the "Subscription Deed – Uncalled Capital Facility", they are only callable if specified "Trigger Event" requirements are met following an agreed approval or expert determination process. This is envisaged to provide Tiaki Wai with a funding mechanism of last resort (e.g. where there is a risk of insolvency, failing financial covenants or inability to deliver essential water services) and is only callable before 30 June 2036 or earlier if certain defined debt ratios are met.

A further 50,000,000 unpaid redeemable preference shares will be issued on a proportionate basis between the councils after any adjustment to the estimated net asset transfer values. Any call would be made on a pro-rata basis reflecting each council's total preference shareholding. The maximum call for the Council would therefore be $70M plus any amount that derives from the issue of the further 50,000,000 shares.

Summary of net assets transferred

The estimated value of assets and liabilities transferred to Tiaki Wai at 1 July 2026 was as follows::

Note:	$000
Assets	
14. Property plant and equipment	1,959,004
14. Work in progress	106,072
15. Intangible Assets	1,826
18. Borrower notes	4,890
Total Assets	**2,071,792**
Less Liabilities	
20. Borrowings	(260,000)
21. Employee entitlements	(35)
Net Assets to transfer to Tiaki Wai Limited 1 July 2026	**1,811,757**

The above estimated net asset value then became the Council's provisional cost of investment in Tiaki Wai Limited at 1 July 2026. In accordance with the Transfer Agreement, certain processes are set out that could adjust the above values and result in additional shares being issued or cash settlements being made between Tiaki Wai Limited and Council. These could arise in the period until 30 June 2028 (and later for some specified events) and result from:

- updates to the estimated values once the Council's 2025/26 financial statements have been audited;
- any known new assets that are subsequently transferred; and
- any found or discovered assets not included originally.

Future financial impacts

While there is still some uncertainty over the financial impact on future financial statements, the more significant impacts for the 2026/27 reporting period are expected to include:

- derecognition of the above $2.0B of largely water-related property, plant and equipment assets at their carrying value;
- derecognition of the above $260M of debt that was novated to Tiaki Wai Limited at their amortised cost;
- derecognition of approximately $106M of work in progress which will transfer to Tiaki Wai Limited;
- a decrease of approximately $1.7B in revaluation reserves and a corresponding increase in retained earnings resulting from the derecognition of water assets;
- recognition of the Council's approximate $1.8B investment in Tiaki Wai and derecognition of the Council's existing investment in Wellington Water Limited;
- disclosure of discontinued water operations. Due to the nature of the transfer, water infrastructure assets are not classified as non-current assets held for sale at 30 June 2026 since their carrying value will not be principally recovered through a conventional sale transaction. In addition, since water operations were not transferred until 1 July 2026, they are not classified as a discontinued operation at 30 June 2026 but will be disclosed as such within the 2026-27 reporting period;
- a reduction in annual rates revenue, costs and capital balances relating to water services and assets. As an indication of value, in 2025-26 the following figures have been reported in relation to water services and assets:

  - total revenue - $102M including rates revenue of $84.6M;

  - total operating expenses of $147M including depreciation of $59M and finance costs of $12.4M;

  - total capital expenditure - $87.4M; and

  - increase in debt - $57.6M.

(The above figures have been extracted from Our performance section of the annual report – strategy areas Water Supply, Wastewater and Stormwater (pages 28-40) and also provide an estimate of the corresponding impact on cash flows);

  - disclosure of contingent liabilities with respect to the callable capital on the redeemable preference shares (see earlier comments for quantum and timing) and Council guarantees provided on Tiaki Wai's borrowings. Along with other shareholder councils, the Council has entered into agreements that guarantee the repayment of Tiaki Wai's total borrowings with the LGFA and other lenders if Tiaki Wai defaults on its debt repayments. The extent of the Council's liability under these continuing guarantees is currently around 24 percent of any default or shortfall. Should a guarantor council not pay its share of the guarantee, the other councils must cover any shortfall but may seek reimbursement from the others. The Council would not currently expect either the callable capital or the debt guarantees to be called upon.

- a reduction in capital commitments. As an indication of value in 2025-26, there were $123.4 million of capital commitments relating to water-related infrastructure assets: and

- recognition of the Council's approximate $1.8B investment in Tiaki Wai Limited and derecognition of the Council's existing investment in Wellington Water Limited.

Council has also considered the impact of the transfer on the going concern basis of preparation. While there will be a significant decrease in the future revenue stream of the Council (since approximately 40 percent of the 2025-26 rates revenue relates to water services which will no longer be received by the Council), this will be offset by an approximately equivalent reduction in the associated costs of providing water services. The Council therefore considers the going concern basis of preparation to still be appropriate.

Local Government Reform - Head Start for Simplifying Local Government

In May 2026, the Government announced the 'Head Start for Simplifying Local Government' – a voluntary option for councils willing to commit to amalgamation before wider local government reform. This initiative aims to simplify local government by combining regional council functions and two or more unitary authorities to reduce duplication and improve governance.

In early August 2026, the Council agreed to support the submission of a Head Start proposal for the Wellington region. The proposal was tabled with the Wellington and Wairarapa Mayoral Forum, where mayors discussed next steps and agreed a joint regional position statement. Two proposals from councils in the Wellington region were consequently submitted to the Ministry for Cities, Environment, Regions and Transport (MCERT):

• A proposal for a Wellington region-wide unitary authority, supported by Wellington City Council, Hutt City Council, Porirua City Council and South Wairarapa District Council, with separate support from Greater Wellington Regional Council.

• A proposal for a Wairarapa-only unitary authority, supported by Carterton District Council and Masterton District Council.

The Mayoral Forum also agreed that the perspectives of all councils in the region should be faithfully represented in the submission, including those of Kāpiti Coast District Council and Upper Hutt City Council, which chose not to be part of either proposal.

If no proposal is accepted, the Government has indicated it will determine future local government arrangements through the 'Back Stop' reform processes.

In September 2026, the Government announced further work would be completed with proposals to be considered by Cabinet in early 2027 which is after the General Election. The current reform timeline indicates final Government decisions would be made in 2027 with the Head Start changes intended to be in place for the 2028 Local Government Elections.

Due to the significant uncertainty about the outcome and timing of the ultimate structure of local government in the Wellington region, the financial and operational impact on the Council cannot be reliably estimated as at the date these financial statements were authorised for issue. The financial statements have therefore continued to be prepared on a going concern basis.

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		30 June 2026		30 June 2025	
Asset type	**Policy class**	**Total declared value**	**Maximum limit of liability**	**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	$559,156,900	Natural catastrophe: $800 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: $800 million any one loss or series of losses arising out of any one event for all four Councils. Fire Loss Limit (including Natural catastrophe) of $200 million any one loss and all losses in the aggregate in respect of Hutt City Council only.	$536,928,700	Natural Catastrophe: $700 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: $700 million any one loss or series of losses arising out of any one event for all four Councils.
Underground infrastructure assets	This policy lapsed with effect 1 July 2026 with the water assets transferring to Tiali Wai Limited			$6,346,795,000	Natural Catastrophe: $800 million each and every loss or series of losses arising out of any one event for all four Councils.
Residential property	Material damage	$5,330,500	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 $3,530,500 for 6 units. All other losses, e.g. fire: replacement value per unit to a maximum of $5,330,500 for 6 units.	$6,560,500	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 $3,530,500 for 14 units. All other losses e.g. fire: Replacement value per unit to a maximum of $6,560,500 for 14 units.
Motor vehicle	Comprehensive motor vehicle	$4,245,046	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.	$4,273,796	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: $38,121,482; Exhibitions and Temporary Loans incoming and outgoing: $2,000,000	Limit and basis of settlement: Gallery collection: $38,121,482; exhibitions and temporary loans, incoming and outgoing: $2,000,000; transit: $750,000	Gallery Collection: $38,045,693 Exhibitions and Temporary Loans incoming and outgoing: $2,000,000	Limit and loss: Gallery Collection: $22,215,085 Exhibitions and Temporary Loans, incoming and outgoing: $1,500,000 Transit: $750,000

Council insures all its material assets to the monetary levels noted in the table above. Beyond these levels Council takes on the risk itself. The only exception to this is roading assets which are not insured (i.e. self-insured). In the financial strategy, the net debt to revenue ratio is set at a limit of 250 percent, which is within the Local Government Funding Agency debt covenants limits of 280 percent. The Council has set a limit lower at 250 percent as it considers it essential to maintain headroom and the ability to fund the impacts of significant natural disasters should they occur, such as extreme weather events or earthquakes.

In addition to Council's insurance, in the event of natural disaster, there is a conservative level of assumed allocation of Crown funded rebuild capacity; whereby NZ Transport Agency Waka Kotahi will be assumed to contribute approximately 51 percent towards the restoration of qualifying roading assets.

Rating base information

The Local Government Act (Amendment No. 3) includes a clause 30A in Section 10 to provide the information at the end of the proceeding financial year.

Rating system	30 June 2025 Capital	30 June 2024 Capital
Rateable units	43,429	42,916
Capital value of rating units	$42,151,310,700	$41,568,711,700
Total land value of rating units	$25,699,906,200	$25,593,824,200
Average rates per residential ratepayer	$4,063	$3,480

The rating database as at 30 June 2025 is used to determine the rates revenue for the 2025-26 year. There was a citywide revaluation in 2022. This information is verified by Quotable Value Limited.

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.

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 2025 $000	$000	$000	June 2026 $000
Council-created reserves – purpose of the fund				
Reserve purchase and development (parks and reserves activity): 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.	30,478	2,580	(4,184)	28,874
Election fund (managing services activity): To annually provide for the cost of Council elections and by-elections.	150	-	-	150
Landfills reserve (solid waste activity): To set funds aside for the longer-term replacement of the landfill. This figure has been capped at $12M.	12,000	-	-	12,000
Waste minimisation reserve: 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 ring-fenced for achieving waste minimisation objectives. Expenditure includes waste minimisation project expenses and grants. The reserve accounts for funding previously received that has not yet been spent.	1,538	451	-	1,989
Low carbon acceleration fund/reserve: Council has registered some of its forests under the New Zealand Emissions Trading Scheme, and receives emission units as forests grow and sequester carbon. Council established a Low Carbon Acceleration Fund, to co-fund emission reduction projects, with Council's funding share derived from the sale of emission units. The reserve accounts for funds from the sale of emission units where funds have not yet been paid out to successful LCA Fund recipients.	126	83	(35)	174

	Opening balance	Deposits	Expenditure	Closing balance
	July 2025 $000	$000	$000	June 2026 $000
Wingate Landfill reserve (parks and reserves activity): 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.	205	9	-	214
Wingate Park (parks and reserves activity): 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.	198	9	-	207
Ex-Hillary Commission funds (aquatics and recreation): To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	8	-	-	8
Ex-Hutt City Community Facilites Trust - Fraser Park Turf long term asset repair and maintenance fund: To provide for the long term maintenance of the named facility.	81	4	-	85
Ex-Hutt City Community Facilites Trust - Ricoh Sport Centre long term asset repair and maintenance fund: To provide for the long term maintenance of the named facility.	14	1	-	15
Ex-Hutt City Community Facilites Trust - Naenae Bowls Centre long term asset repair and maintenance fund: To provide for the long term maintenance of the named facility.	208	22	-	230
Totals	**45,006**	**3,159**	**(4,219)**	**43,947**
Restricted reserves – purpose of the fund				
Taitā Cemetery - JV Bently (parks and reserves activity): 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
Lavelle tree bequest (parks and reserves activity): To provide for the planting of trees in and around Lower Hutt on major thoroughfares.	36	3	-	39
ML Talbut Bequest (Parks and Reserves Activity): To provide for the planting and maintenance of reserves.	16	1	-	17
Eastbourne Arts Trust (museums activity): 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.	4	-	-	4
Totals	**59**	**4**	**-**	**64**

Meeting attendance of elected representatives from 1 July 25 to October 25 (pre-election):

Meeting	Council	Policy, finance & strategy	Climate change & sustainability	Infrastructure & regulatory	Audit & risk	Chief Executive's Performance Review	District Plan Review
Number of meetings held	**4**	**3**	**2**	**2**	**2**	**1**	**0**
C Barry	4	3	2	2	1	1	
T Lewis	4	3	2	2		1	
G Barratt	4			1			
J Briggs	4		2		1	1	
K Brown	4	3	2	2			
B Dyer	4	3		2			
S Edwards	4	2	2	2	2	0	
A Mitchell	4	3	2	2			
M Morgan	4	3			2	0	
C Parkin	4	3	2				
N Shaw	4		2				
T Stallinger	4	3		2	2		
G Tupou	4		6	1			

Meeting	Long Term Plan/ Annual Plan Subcommittee	Traffic	Wellington Water	Hutt Valley Services	Communities, Culture & Partnerships	Hearings	Briefings
Number of meetings held	**0**	**1**	**3**	**1**	**1**	**1**	**5**
C Barry			3		1		3
T Lewis					1		1
G Barratt		1			1		5
J Briggs					1		3
K Brown					1		5
B Dyer		1		1			4
S Edwards						1	5
A Mitchell		1					5
M Morgan					1		3
C Parkin		1		1	1	1	5
N Shaw		1		1	1		5
T Stallinger				1		1	5
G Tupou		1			0		0

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

Meeting attendance of elected representatives from Oct 25 to June 2026 (post-election)

Meeting	Council	Connected Communities & Climate Resilience	Policy and Performance	Infrastructure & regulatory	Audit & Risk	Chief Executive's Performance Review	District Plan	Strategy, Long Term and Annual Plan
Number of meetings held	**9**	**3**	**2**	**2**	**3**	**2**	**1**	**3**
K Laban	9	3	2	2	3	2		3
K Brown	9	3	2	2	3	2		3
G Barratt *	9	3	2	2	1			3
B Dyer	9	3	2	2			1	3
S Edwards	9	3	2	2		2		3
T Lewis	9	3	2	2			1	3
A Mitchell	9	3	2	2				3
C Parkin	9	3	2	2				3
T Puketapu	9	3	2	1		2	1	3
P Ravi	9	2	2	2				3
T Stallinger	9	3	2	2	3		1	3
N Shaw	9	3	2	2				3
M Tonga-Grant	9	3	2	2				3
K Yung	9	3	2	2				3

Meeting	Age & Accessibility	Wellington Water	Hutt Valley Services	Tiaki Wai | Partners	Hearings	District Licensing	Community Funding 1	Briefings
Number of meetings held	**2**	**3**	**2**	**3**	**0**	**0**	**2**	**29**
K Laban								26
K Brown								28
G Barratt *	2							26
B Dyer			2					29
S Edwards		3		3				28
T Lewis								29
A Mitchell								29
C Parkin	2						2	29
T Puketapu	2		2					18
P Ravi							2	26
T Stallinger								28
N Shaw	2		2					28
M Tonga-Grant			2					19
K Yung	3							29

*Cr Barratt was a member of Audit and Risk Subcommittee from 26 May 2026

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

Meeting attendance of elected representatives for the year ended June 2025

Meeting	Council	Policy, finance & strategy	Communities	Infrastructure & regulatory	Climate change & sustainability	Audit & risk	Long term plan/ annual plan	Hutt valley services
Number of meetings held	**20**	**7**	**6**	**5**	**5**	**7**	**7**	**4**
C Barry (Mayor)	20	6	6	4	4	5	7	
G Barratt	17		4	1			6	
J Briggs	18		5		5	6	7	
K Brown	19	6	6	3	5		7	
B Dyer	20	7		5			7	4
S Edwards	20	7		5	5	6	7	
T Lewis (Deputy Mayor)	18	7	6	5	5		6	
A Mitchell	19	7		5	5		7	
K Morgan	19	7	6			7	7	
C Parkin	20	7	6		5		7	4
N Shaw	19				5		6	4
T Stallinger	20	7		5		7	7	4
G Tupou	18		6	1			7	

Meeting	Chief Executive's performance review	Traffic	District plan review	District licensing	Briefings
Number of meetings held	**4**	**6**	**7**	**2**	**42**
C Barry (Mayor)	3		3		34
G Barratt		5			29
J Briggs	4		5		25
K Brown					41
B Dyer		6	7	2	42
S Edwards	4		7	2	42
T Lewis (Deputy Mayor)	3		7		38
A Mitchell		6	6		42
K Morgan	4		7		35
C Parkin		6			42
N Shaw		6	7		42
T Stallinger					39
G Tupou		3			31

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

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.

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.

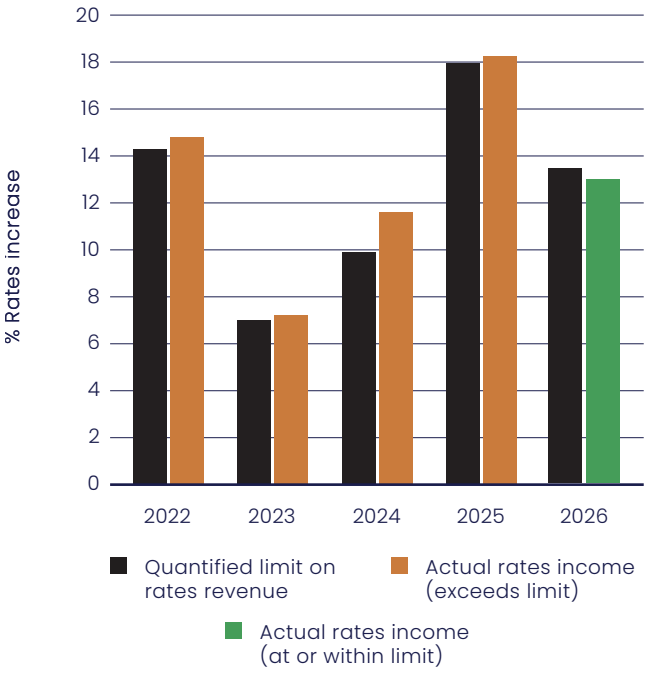
Rates (income) affordability benchmark

Following an amendment to the Local Government Act 2002 in 2019, Council has not included a quantified limit on rates in the financial strategy for the 10 Year Plan 2024-2034.

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 over the long term. 2021-22 includes the impact of the introducing the new rates funded rubbish, recycling, and green waste services. The rates income for 2024-25 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.

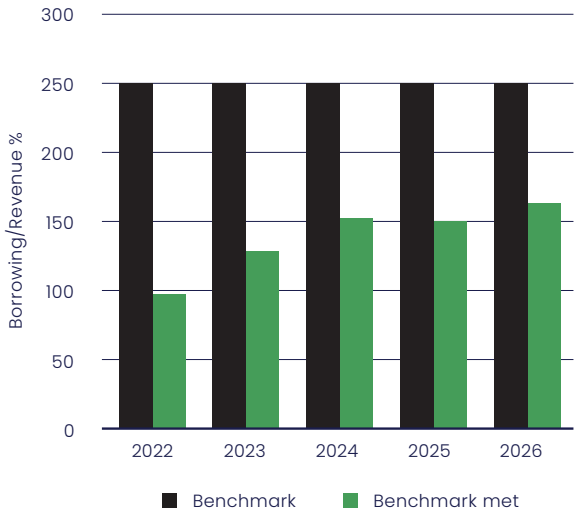


Debt affordability benchmark

Council meets its affordability benchmarks if borrowing is within each quantified limit on borrowing set in its financial strategy.

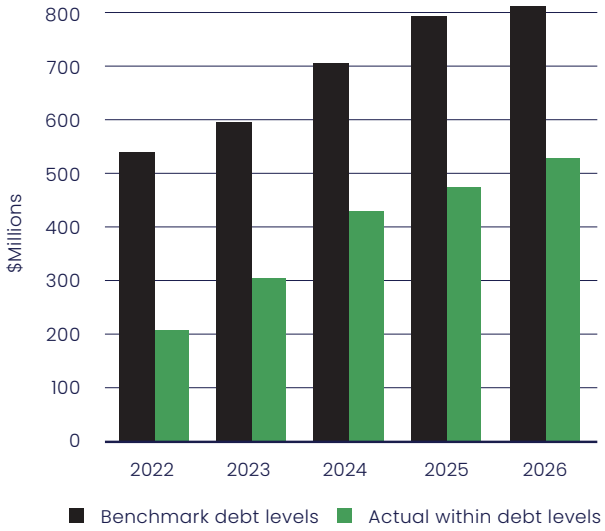
1: Debt affordability benchmark (debt as percentage of revenue)

The following graph compares the Council's actual borrowings with a quantified limit on borrowing stated in the Financial Strategy including in the 10 Year Plan. The quantified limit has been increased to 250 percent as part of the 10 Year Plan 2024-2034. Council has remained within the borrowing limits set in that plan.



2: Debt affordability benchmark (planned debt compared to debt limits)

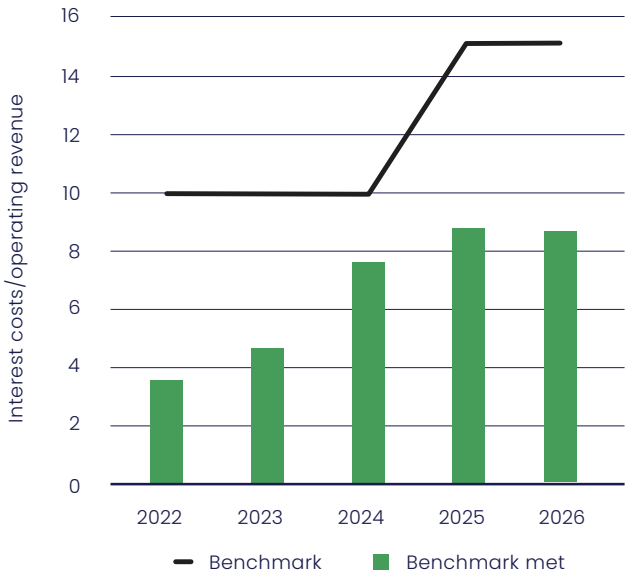
Council meets the debt affordability benchmark if planned borrowing is within each quantified limit on borrowing. The following graph compares Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the 10 Year Plan 2024–2034.



Debt servicing benchmark

Council meets the debt servicing benchmark if its borrowing costs for the year equal or are less than 15 percent of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of Property, Plant and Equipment).

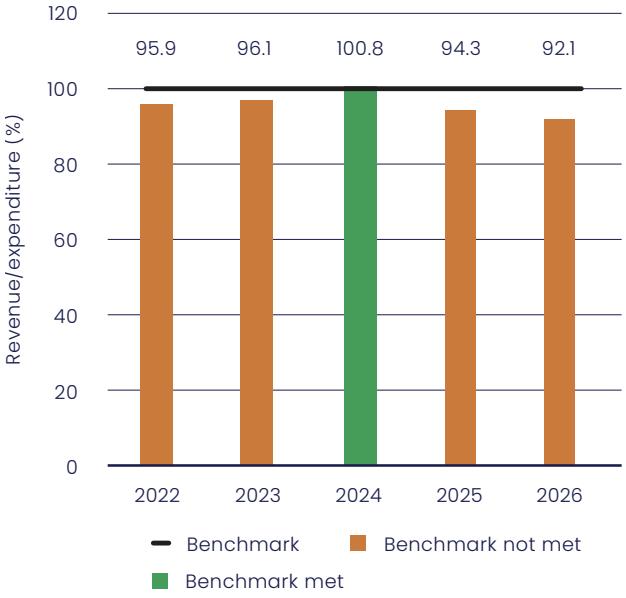
The following graph displays Council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of Property, Plant and Equipment).



Balanced Budget Benchmark (planned revenue greater than planned expenditure)

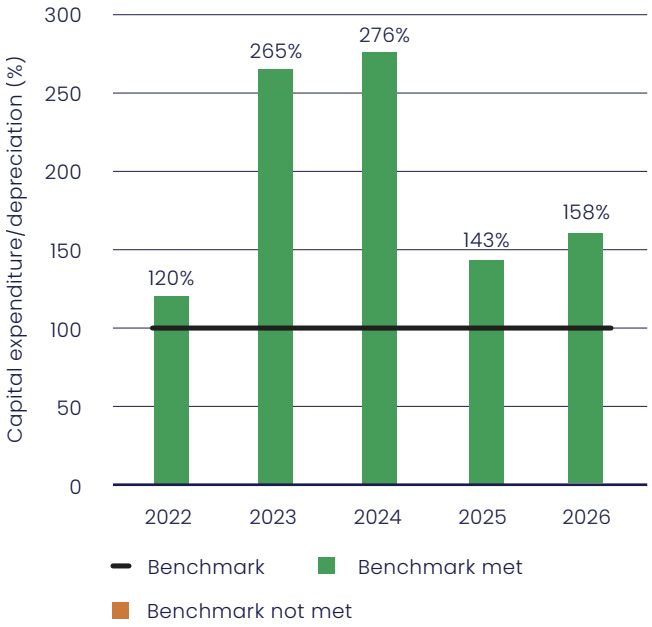
Council meets the balanced budget benchmark for each year if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation on property, plant, or equipment) exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

This benchmark is similar to the balance operating budget measure adopted by council as part of its Financial Strategy in the 10 Year Plan 2024-2034. 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 the council measure removes capital improvements subsidies, grant revenue from infrastructure Acceleration Fund and central government COVID-19 Response and Recovery co-funding for Te Ngaengae Pool and Fitness and Tupua Horo Nuku. The results of Council's measure can be found under financial sustainability in section one 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.



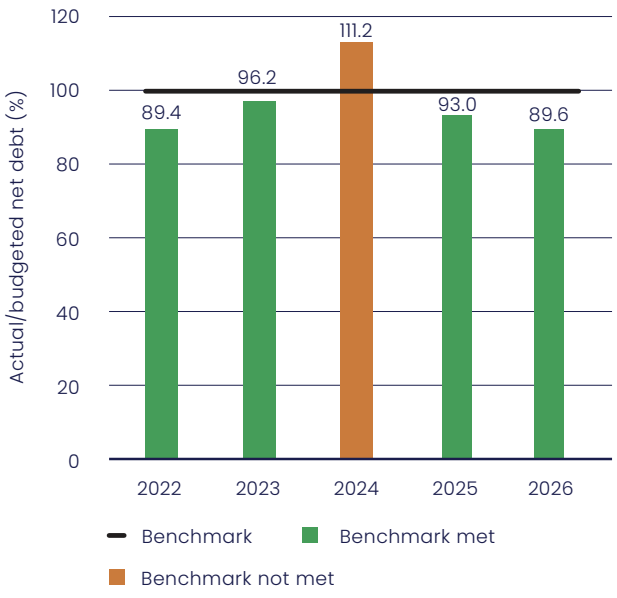
Operations control benchmark

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.



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.



Tauākī pāpātanga tahua
Funding impact statements

Water supply
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	27,894	28,567	34,310	34,310	34,465	155
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	6,010	6,828	6,682	7,024	6,127	(897)
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	**33,904**	**35,396**	**40,992**	**41,334**	**40,592**	**(742)**
Applications of operating funding						
Payments to staff and suppliers	34,545	32,800	36,171	42,907	40,290	2,617
Finance costs	3,641	4,750	4,287	6,129	5,626	503
Internal charges and overheads applied	588	594	625	561	583	(22)
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	**38,774**	**38,144**	**41,083**	**49,597**	**46,499**	**3,098**
Surplus (deficit) of operating funding (A-B)	**(4,870)**	**(2,748)**	**(91)**	**(8,263)**	**(5,907)**	**2,356**
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	1,822	1,965	3,138	2,868	1,509	(1,358)
Increase (decrease) in debt	25,688	28,010	23,386	33,541	22,803	(10,738)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**27,509**	**29,975**	**26,523**	**36,409**	**24,312**	**(12,097)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	106	935	106	3,817	1,115	2,702
– to improve level of service	6,429	3,727	8,488	10,216	875	9,341
– to replace existing assets	16,105	22,565	17,839	14,113	16,415	(2,302)
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**22,640**	**27,227**	**26,432**	**28,146**	**18,405**	**9,741**
Surplus (deficit) of capital funding (C-D)	**4,870**	**2,748**	**91**	**8,263**	**5,907**	**(2,356)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

Wastewater
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	–	–	–	–	–	–
Targeted rates	30,542	31,229	36,100	36,100	36,301	201
Subsidies and grants for operating purposes	–	–	–	–	–	–
Fees and charges	1,248	1,766	1,276	1,413	1,757	345
Internal charges and overheads recovered	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	3,971	3,983	4,094	4,957	4,465	(492)
Total operating funding (A)	**35,762**	**36,978**	**41,470**	**42,469**	**42,523**	**54**
Applications of operating funding						
Payments to staff and suppliers	23,014	21,488	24,052	24,059	22,269	1,790
Finance costs	4,689	4,786	6,345	6,813	6,253	560
Internal charges and overheads applied	1,098	1,087	1,159	1,049	1,081	(32)
Other operating funding applications	–	–	–	–	–	–
Total applications of operating funding (B)	**28,801**	**27,361**	**31,556**	**31,921**	**29,603**	**2,318**
Surplus (deficit) of operating funding (A-B)	**6,960**	**9,617**	**9,914**	**10,549**	**12,920**	**2,372**
Sources of capital funding						
Subsidies and grants for capital expenditure	9,814	5,774	17,990	18,459	16,363	(2,096)
Development and financial contributions	2,144	1,716	3,869	3,536	1,365	(2,171)
Increase (decrease) in debt	36,358	11,750	52,483	41,742	35,168	(6,575)
Gross proceeds from sale of assets	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**48,316**	**19,240**	**74,342**	**63,738**	**52,895**	**(10,842)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	13,385	675	20,361	7,675	5,116	2,559
– to improve level of service	7,684	4,909	1,206	5,798	2,817	2,980
– to replace existing assets	34,207	23,273	62,689	60,814	57,882	2,932
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**55,276**	**28,857**	**84,256**	**74,287**	**65,815**	**8,471**
Surplus (deficit) of capital funding (C-D)	**(6,960)**	**(9,617)**	**(9,914)**	**(10,549)**	**(12,920)**	**(2,371)**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Stormwater
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	11,260	10,796	13,263	13,841	13,880	39
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	9	5	9	9	5	(5)
Fees and charges	13	7	13	13	10	(3)
Internal charges and overheads recovered	4,281	3,435	3,624	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-	-
Total operating funding (A)	**15,563**	**14,242**	**16,909**	**13,864**	**13,895**	**31**
Applications of operating funding						
Payments to staff and suppliers	7,863	6,991	8,281	8,309	10,393	(2,084)
Finance costs	950	488	1,298	522	479	43
Internal charges and overheads applied	461	466	489	443	459	(16)
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	**9,274**	**7,945**	**10,068**	**9,274**	**11,331**	**(2,057)**
Surplus (deficit) of operating funding (A-B)	**6,289**	**6,297**	**6,841**	**4,590**	**2,564**	**(2,025)**
Sources of capital funding						
Subsidies and grants for capital expenditure	13,099	950	25,910	4,759	764	(3,995)
Development and financial contributions	484	230	906	828	221	(607)
Increase (decrease) in debt	(1,027)	(4,127)	7,904	2,590	(338)	(2,928)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**12,557**	**(2,947)**	**34,720**	**8,176**	**647**	**(7,529)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	13,905	1,056	33,508	7,754	1,733	6,021
– to improve level of service	4,723	493	6,638	1,618	402	1,216
– to replace existing assets	218	1,802	1,415	3,394	1,076	2,318
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**18,846**	**3,351**	**41,560**	**12,766**	**3,211**	**9,555**
Surplus (deficit) of capital funding (C-D)	**(6,289)**	**(6,298)**	**(6,841)**	**(4,590)**	**(2,564)**	**2,026**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

Solid waste
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	–	–	–	–	–	–
Targeted rates	13,296	13,319	13,728	14,947	14,968	21
Subsidies and grants for operating purposes	–	–	–	–	–	–
Fees and charges	35,075	29,048	37,157	33,237	31,858	(1,379)
Internal charges and overheads recovered	–	–	–	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	30	100	31	31	107	76
Total operating funding (A)	**48,401**	**42,467**	**50,916**	**48,215**	**46,933**	**(1,282)**
Applications of operating funding						
Payments to staff and suppliers	32,075	27,637	32,635	29,911	30,405	(494)
Finance costs	388	564	391	826	690	136
Internal charges and overheads applied	1,024	587	1,088	522	328	194
Other operating funding applications	–	–	–	–	–	–
Total applications of operating funding (B)	**33,487**	**28,787**	**34,114**	**31,259**	**31,423**	**(164)**
Surplus (deficit) of operating funding (A-B)	**14,914**	**13,680**	**16,802**	**16,956**	**15,510**	**(1,446)**
Sources of capital funding						
Subsidies and grants for capital expenditure	500	498	–	–	–	–
Development and financial contributions	–	–	–	–	–	–
Increase (decrease) in debt	(4,273)	(5,460)	(7,007)	(1,915)	(6,320)	(4,406)
Gross proceeds from sale of assets	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**(3,773)**	**(4,962)**	**(7,007)**	**(1,915)**	**(6,320)**	**(4,406)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	–	–	–	–	–	–
– to improve level of service	11,141	8,718	9,795	15,041	9,190	5,851
– to replace existing assets	–	–	–	–	–	–
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**11,141**	**8,718**	**9,795**	**15,041**	**9,190**	**5,851**
Surplus (deficit) of capital funding (C-D)	**(14,914)**	**(13,680)**	**(16,802)**	**(16,955)**	**(15,510)**	**1,445**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Sustainability & resilience
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	2,034	1,551	2,215	2,229	2,235	6
Targeted rates	–	–	–	–	–	–
Subsidies and grants for operating purposes	2,000	2,280	2,044	2,044	2,277	233
Fees and charges	122	65	152	152	85	(68)
Internal charges and overheads recovered	773	493	605	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	191	225	195	161	46	(115)
Total operating funding (A)	**5,120**	**4,614**	**5,211**	**4,586**	**4,642**	**56**
Applications of operating funding						
Payments to staff and suppliers	4,028	3,683	4,119	3,702	3,609	93
Finance costs	187	123	192	120	110	10
Internal charges and overheads applied	794	697	785	973	893	81
Other operating funding applications	–	–	–	–	16	(16)
Total applications of operating funding (B)	**5,010**	**4,503**	**5,096**	**4,795**	**4,627**	**168**
Surplus (deficit) of operating funding (A-B)	**111**	**111**	**115**	**(209)**	**15**	**224**
Sources of capital funding						
Subsidies and grants for capital expenditure	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–
Increase (decrease) in debt	148	(111)	(115)	210	(15)	(225)
Gross proceeds from sale of assets	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**148**	**(111)**	**(115)**	**210**	**(15)**	**(225)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	–	–	–	–	–	–
– to improve level of service	259	–	–	–	–	–
– to replace existing assets	–	–	–	–	–	–
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**259**	**–**	**–**	**–**	**–**	**–**
Surplus (deficit) of capital funding (C-D)	**(111)**	**(111)**	**(115)**	**210**	**(15)**	**(225)**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Regulatory services
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	4,996	7,163	5,222	6,767	6,786	19
Targeted rates	–	–	–	–	–	–
Subsidies and grants for operating purposes	–	–	–	–	–	–
Fees and charges	11,475	11,810	11,942	15,355	15,753	398
Internal charges and overheads recovered	1,900	2,279	1,427	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	2,293	962	2,346	151	(10)	(161)
Total operating funding (A)	**20,664**	**22,214**	**20,937**	**22,273**	**22,529**	**257**
Applications of operating funding						
Payments to staff and suppliers	15,678	16,788	16,191	15,717	16,230	(513)
Finance costs	444	337	457	330	303	27
Internal charges and overheads applied	4,552	5,017	4,106	6,558	6,476	82
Other operating funding applications	–	81	–	–	62	(62)
Total applications of operating funding (B)	**20,674**	**22,224**	**20,754**	**22,605**	**23,071**	**(466)**
Surplus (deficit) of operating funding (A-B)	**(10)**	**(10)**	**183**	**(332)**	**(542)**	**(210)**
Sources of capital funding						
Subsidies and grants for capital expenditure	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–
Increase (decrease) in debt	10	10	(183)	332	542	210
Gross proceeds from sale of assets	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**10**	**10**	**(183)**	**332**	**542**	**210**
Application of capital funding						
Capital expenditure						
– to meet additional demand	–	–	–	–	–	–
– to improve level of service	–	–	–	–	–	–
– to replace existing assets	–	–	–	–	–	–
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**–**	**–**	**–**	**–**	**–**	**–**
Surplus (deficit) of capital funding (C-D)	**10**	**10**	**(183)**	**332**	**542**	**210**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Transport
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	26,889	26,752	31,667	25,248	25,319	71
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	8,150	6,239	8,329	6,347	7,429	1,082
Fees and charges	7,505	7,417	7,923	5,286	4,637	(649)
Internal charges and overheads recovered	10,224	8,511	8,653	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	576	450	589	669	537	(132)
Total operating funding (A)	**53,343**	**49,368**	**57,161**	**37,549**	**37,923**	**373**
Applications of operating funding						
Payments to staff and suppliers	23,758	21,242	24,435	22,192	21,844	348
Finance costs	3,057	1,992	3,311	2,287	2,099	188
Internal charges and overheads applied	4,320	3,937	4,471	2,295	2,603	(308)
Other operating funding applications	-	-	-	-	(49)	49
Total applications of operating funding (B)	**31,135**	**27,171**	**32,217**	**26,774**	**26,498**	**276**
Surplus (deficit) of operating funding (A-B)	**22,208**	**22,198**	**24,944**	**10,775**	**11,425**	**649**
Sources of capital funding						
Subsidies and grants for capital expenditure	37,737	23,133	33,139	29,494	19,177	(10,317)
Development and financial contributions	468	897	814	744	478	(266)
Increase (decrease) in debt	9,234	2,065	4,061	27,869	4,173	(23,697)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**47,439**	**26,095**	**38,014**	**58,108**	**23,828**	**(34,280)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	4,368	171	4,055	451	223	228
– to improve level of service	51,049	35,281	43,485	52,685	22,995	29,690
– to replace existing assets	14,230	12,841	15,418	15,747	12,035	3,712
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**69,647**	**48,293**	**62,958**	**68,883**	**35,253**	**33,630**
Surplus (deficit) of capital funding (C-D)	**(22,208)**	**(22,198)**	**(24,944)**	**(10,775)**	**(11,425)**	**(649)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

City development
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	10,919	8,441	11,859	10,607	10,636	29
Targeted rates	171	165	174	180	179	(1)
Subsidies and grants for operating purposes	–	–	–	–	–	–
Fees and charges	87	80	89	85	85	–
Internal charges and overheads recovered	4,151	2,686	3,241	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	304	–	1,143	125	(1,018)
Total operating funding (A)	**15,328**	**11,676**	**15,363**	**12,015**	**11,026**	**(989)**
Applications of operating funding						
Payments to staff and suppliers	9,334	6,162	8,499	7,684	4,779	2,905
Finance costs	3,131	2,800	3,954	3,131	2,874	257
Internal charges and overheads applied	2,870	2,713	2,880	2,956	2,971	(15)
Other operating funding applications	–	–	–	–	–	–
Total applications of operating funding (B)	**15,335**	**11,676**	**15,333**	**13,771**	**10,624**	**3,147**
Surplus (deficit) of operating funding (A-B)	**(7)**	**–**	**30**	**(1,756)**	**402**	**2,158**
Sources of capital funding						
Subsidies and grants for capital expenditure	12,231	–	16,685	882	170	(712)
Development and financial contributions	–	–	–	–	–	–
Increase (decrease) in debt	18,706	3,484	23,971	13,989	8,086	(5,903)
Gross proceeds from sale of assets	1,073	–	1,093	1,093	–	(1,093)
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**32,010**	**3,484**	**41,749**	**15,964**	**8,255**	**(7,709)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	–	–	–	1,539	–	1,539
– to improve level of service	31,946	3,414	41,742	12,632	8,623	4,009
– to replace existing assets	57	70	37	37	35	2
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**32,003**	**3,484**	**41,779**	**14,208**	**8,657**	**5,550**
Surplus (deficit) of capital funding (C-D)	**7**	**–**	**(30)**	**1,756**	**(402)**	**(2,158)**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Community partnering & support
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	10,558	10,548	11,447	11,811	11,844	33
Targeted rates	–	–	–	–	–	–
Subsidies and grants for operating purposes	966	913	987	987	757	(231)
Fees and charges	518	519	529	98	189	91
Internal charges and overheads recovered	4,014	3,355	3,128	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	70	40	71	61	283	222
Total operating funding (A)	**16,126**	**15,374**	**16,163**	**12,958**	**13,073**	**115**
Applications of operating funding						
Payments to staff and suppliers	8,725	8,693	8,843	9,276	8,153	1,123
Finance costs	657	380	680	353	324	29
Internal charges and overheads applied	4,744	4,301	4,576	4,555	4,420	135
Other operating funding applications	–	–	–	–	27	(27)
Total applications of operating funding (B)	**14,126**	**13,374**	**14,099**	**14,184**	**12,924**	**1,260**
Surplus (deficit) of operating funding (A-B)	**2,000**	**2,000**	**2,064**	**(1,226)**	**149**	**1,375**
Sources of capital funding						
Subsidies and grants for capital expenditure	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–
Increase (decrease) in debt	(1,510)	(1,682)	(1,059)	2,354	21	(2,333)
Gross proceeds from sale of assets	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**(1,510)**	**(1,682)**	**(1,059)**	**2,354**	**21**	**(2,333)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	–	–	–	–	–	–
– to improve level of service	5	116	61	61	20	41
– to replace existing assets	485	201	944	1,067	150	916
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**490**	**318**	**1,005**	**1,128**	**171**	**957**
Surplus (deficit) of capital funding (C-D)	**(2,000)**	**(2,000)**	**(2,064)**	**1,226**	**(149)**	**(1,376)**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Open spaces, parks, & reserves
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	16,250	16,712	16,280	16,899	16,946	47
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	6	-	6	6	6	(1)
Fees and charges	1,652	1,665	1,806	1,886	1,771	(116)
Internal charges and overheads recovered	6,178	5,317	4,449	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	112	10	115	115	8	(107)
Total operating funding (A)	**24,198**	**23,704**	**22,656**	**18,906**	**18,729**	**(176)**
Applications of operating funding						
Payments to staff and suppliers	17,657	17,241	15,291	15,321	15,791	(470)
Finance costs	1,730	1,090	2,233	1,564	1,436	128
Internal charges and overheads applied	993	940	1,024	926	938	(12)
Other operating funding applications	-	655	-	-	-	-
Total applications of operating funding (B)	**20,380**	**19,927**	**18,548**	**17,811**	**18,164**	**(353)**
Surplus (deficit) of operating funding (A-B)	**3,818**	**3,777**	**4,108**	**1,095**	**565**	**(530)**
Sources of capital funding						
Subsidies and grants for capital expenditure	-	14	-	-	-	-
Development and financial contributions	3,000	3,771	3,000	3,000	1,215	(1,785)
Increase (decrease) in debt	8,210	99	12,305	17,282	4,132	(13,149)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**11,210**	**3,883**	**15,305**	**20,282**	**5,347**	**(14,934)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	7,750	4,040	4,800	4,006	1,832	2,174
– to improve level of service	3,138	1,816	3,071	3,439	1,875	1,564
– to replace existing assets	4,140	1,804	11,542	13,932	2,206	11,726
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**15,029**	**7,660**	**19,413**	**21,377**	**5,913**	**15,464**
Surplus (deficit) of capital funding (C-D)	**(3,819)**	**(3,777)**	**(4,108)**	**(1,095)**	**(565)**	**530**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

Connectivity, creativity, learning & recreation
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	22,767	24,140	26,632	28,085	28,164	79
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	50	58	51	51	8	(44)
Fees and charges	5,729	4,313	6,402	6,860	4,734	(2,127)
Internal charges and overheads recovered	8,657	7,680	7,277	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	998	1,019	703	1,172	963	(210)
Total operating funding (A)	**38,201**	**37,210**	**41,065**	**36,168**	**33,868**	**(2,301)**
Applications of operating funding						
Payments to staff and suppliers	19,495	19,850	20,780	21,868	22,820	(952)
Finance costs	4,761	4,175	4,677	4,225	3,878	347
Internal charges and overheads applied	7,480	6,720	7,252	7,030	6,893	137
Other operating funding applications	-	-	-	-	(5)	5
Total applications of operating funding (B)	**31,735**	**30,745**	**32,709**	**33,123**	**33,586**	**(463)**
Surplus (deficit) of operating funding (A-B)	**6,465**	**6,465**	**8,356**	**3,046**	**282**	**(2,764)**
Sources of capital funding						
Subsidies and grants for capital expenditure	6,750	12,184	-	-	43	43
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	5,121	(3,170)	(1,370)	11,388	6,984	(4,405)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**11,871**	**9,014**	**(1,370)**	**11,388**	**7,027**	**(4,362)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	-	-	-	-	-	-
– to improve level of service	9,082	8,910	956	6,615	4,211	2,404
– to replace existing assets	9,254	6,569	6,030	7,819	3,098	4,721
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**18,336**	**15,479**	**6,986**	**14,434**	**7,309**	**7,125**
Surplus (deficit) of capital funding (C-D)	**(6,465)**	**(6,465)**	**(8,356)**	**(3,046)**	**(282)**	**2,764**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

Governance, strategy, and partnerships
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	6,047	5,785	6,983	7,389	7,410	21
Targeted rates	–	–	–	–	–	–
Subsidies and grants for operating purposes	–	–	–	–	–	–
Fees and charges	–	–	–	–	–	–
Internal charges and overheads recovered	2,299	1,840	1,908	–	–	–
Local authorities fuel tax, fines, infringement fees, and other receipts	–	–	230	199	217	18
Total operating funding (A)	**8,346**	**7,625**	**9,121**	**7,588**	**7,627**	**39**
Applications of operating funding						
Payments to staff and suppliers	3,586	3,196	4,219	4,277	3,858	419
Finance costs	–	–	–	–	–	–
Internal charges and overheads applied	4,754	4,422	4,899	4,503	4,805	(302)
Other operating funding applications	–	–	–	–	27	(27)
Total applications of operating funding (B)	**8,340**	**7,618**	**9,118**	**8,780**	**8,690**	**89**
Surplus (deficit) of operating funding (A-B)	**6**	**7**	**3**	**(1,192)**	**(1,063)**	**128**
Sources of capital funding						
Subsidies and grants for capital expenditure	–	–	–	–	–	–
Development and financial contributions	–	–	–	–	–	–
Increase (decrease) in debt	(6)	(7)	(3)	1,192	1,063	(128)
Gross proceeds from sale of assets	–	–	–	–	–	–
Lump sum contributions	–	–	–	–	–	–
Other dedicated capital funding	–	–	–	–	–	–
Total sources of capital funding (C)	**(6)**	**(7)**	**(3)**	**1,192**	**1,063**	**(128)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	–	–	–	–	–	–
– to improve level of service	–	–	–	–	–	–
– to replace existing assets	–	–	–	–	–	–
Increase (decrease) in reserves	–	–	–	–	–	–
Increase (decrease) of investments	–	–	–	–	–	–
Total applications of capital funding (D)	**–**	**–**	**–**	**–**	**–**	**–**
Surplus (deficit) of capital funding (C-D)	**(6)**	**(7)**	**(3)**	**1,192**	**1,063**	**(128)**
Funding balance ((A-B)+(C-D))	**–**	**–**	**–**	**–**	**–**	**–**

Corporate services
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	1,412	2,102	1,443	1,700	2,936	1,236
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	11	-	11	-	27	27
Fees and charges	273	(226)	279	96	282	185
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	4,711	7,096	3,463	3,489	4,838	1,348
Total operating funding (A)	**6,407**	**8,972**	**5,197**	**5,285**	**8,082**	**2,797**
Applications of operating funding						
Payments to staff and suppliers	29,203	25,692	27,483	26,980	26,382	598
Finance costs	3,818	6,536	4,032	3,216	4,416	(1,200)
Internal charges and overheads applied	8,800	4,114	958	(12,370)	(32,527)	20,157
Other operating funding applications	-	-	-	-		-
Total applications of operating funding (B)	**41,821**	**36,342**	**32,473**	**17,826**	**(1,729)**	**19,555**
Surplus (deficit) of operating funding (A-B)	**(35,414)**	**(27,370)**	**(27,277)**	**(12,541)**	**9,811**	**22,352**
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	39,241	28,943	30,597	17,633	(7,107)	(24,740)
Gross proceeds from sale of assets	451	-	210	210	-	(210)
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**39,692**	**28,943**	**30,807**	**17,844**	**(7,107)**	**(24,951)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	-	-	-	-	-	-
– to improve level of service	2,856	933	2,040	3,812	2,051	1,761
– to replace existing assets	1,422	641	1,490	1,490	653	837
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**4,278**	**1,573**	**3,531**	**5,303**	**2,704**	**2,598**
Surplus (deficit) of capital funding (C-D)	**35,413**	**27,370**	**27,277**	**12,541**	**(9,811)**	**(22,352)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

Council
Funding impact statement

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	113,132	113,989	127,010	124,576	126,158	1,582
Targeted rates	71,904	73,280	84,312	85,536	85,914	378
Subsidies and grants for operating purposes	11,192	9,494	11,438	9,445	10,507	1,062
Fees and charges	69,707	63,292	74,252	71,505	67,287	(4,218)
Internal charges and overheads recovered	-	-	-	-	-	-
Interest & dividends from investments	4,304	6,615	3,047	3,134	4,391	1,257
Local authorities fuel tax, fines, infringement fees, and other receipts	8,648	7,573	8,790	9,014	7,186	(1,827)
Total operating funding (A)	**278,887**	**274,244**	**308,848**	**303,210**	**301,444**	**(1,766)**
Applications of operating funding						
Payments to staff and suppliers	228,961	211,461	230,999	232,200	226,822	5,378
Finance costs	27,453	28,023	31,857	29,516	28,487	1,029
Internal charges and overheads applied	-	-	-	20,001	(76)	20,077
Other operating funding applications	-	736	-	-	79	(79)
Total applications of operating funding (B)	**256,414**	**240,220**	**262,856**	**281,717**	**255,313**	**26,405**
Surplus (deficit) of operating funding (A-B)	**22,473**	**34,024**	**45,992**	**21,493**	**46,132**	**24,640**
Sources of capital funding						
Subsidies and grants for capital expenditure	80,131	42,553	93,724	53,594	36,517	(17,077)
Development and financial contributions	7,918	8,578	11,727	10,976	4,788	(6,187)
Increase (decrease) in debt	135,898	59,806	144,969	168,206	69,191	(99,016)
Gross proceeds from sale of assets	1,524	-	1,303	1,303	-	(1,303)
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	**225,470**	**110,937**	**251,723**	**234,080**	**110,496**	**(123,583)**
Application of capital funding						
Capital expenditure						
– to meet additional demand	39,514	6,876	62,830	25,242	10,019	15,223
– to improve level of service	128,311	68,318	117,481	111,916	53,058	58,858
– to replace existing assets	80,119	69,765	117,405	118,414	93,551	24,863
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	**247,944**	**144,961**	**297,716**	**255,572**	**156,628**	**98,944**
Surplus (deficit) of capital funding (C-D)	**(22,473)**	**(34,024)**	**(45,992)**	**(21,493)**	**(46,132)**	**(24,640)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation of financial statements to funding impact statements

For the year ended 30 June	2024–34 LTP (Year 1)	Actual	2024–34 LTP (Year 2)	Annual Plan	Actual	Annual Plan v Actual Variance
	2025 $000	2025 $000	2026 $000	2026 $000	2026 $000	2026 $000
Funding Impact Statement Surplus (Deficit) of Operating Funding (A)	**22,473**	**34,024**	**45,992**	**21,493**	**46,132**	**24,640**
Net Surplus/(deficit) before tax per Prospective Statement of Comprehensive Income	34,356	(14,005)	57,013	(17,556)	(21,384)	(3,828)
Add depreciation expense	67,287	89,596	77,396	106,110	93,967	(12,143)
Less Vested assets	(935)	(1,479)	(955)	(955)	(1,059)	(103)
Less capital contributions	(78,235)	(45,300)	(87,461)	(46,111)	(24,943)	21,168
Less losses/(gains)	-	5,212	-	-	(262)	(262)
Less internal overheads	-	-	-	(19,995)	(186)	19,809
Prospective Financial Statement Surplus (Deficit) of Operating Funding (B)	**22,473**	**34,024**	**45,992**	**21,493**	**46,132**	**24,640**
Difference in Operating Surplus (Deficit) (A-B)	**-**	**-**	**-**	**-**	**-**	**-**
Total capital source of funding						
Capital contributions	78,235	45,300	87,461	46,111	24,943	(21,168)
UHCC subsidy	9,814	5,774	17,990	18,459	16,363	(2,096)
Depreciation	67,286	89,596	77,396	106,110	93,967	(12,143)
Asset sales	1,524	57	1,303	1,303	-	(1,303)
Loan funding	91,085	4,234	113,566	83,588	21,356	(62,232)
Total sources of capital funding (C)	**247,944**	**144,961**	**297,716**	**255,572**	**156,628**	**(98,944)**
Total application of capital funding (D)	**247,944**	**144,961**	**297,716**	**255,572**	**156,628**	**98,944**
Difference of capital funding (C-D)	**-**	**-**	**-**	**-**	**-**	**-**

Āpitihanga
Appendices

Āpitihanga 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 the same as our Long Term Plan (LTP).

Activity statement – This statement describes the amount of money needed to operate and maintain facilities and services and to cover capital expenses within an activity function.

Annual Plan – A plan that describes the activities of the local authority in relation to the LTP, 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.

Assumptions / assumed – Refers to accepting certain conditions or premises as true or valid without explicit confirmation, often used as the basis for decision-making or planning.

Balanced operating budget – A balanced operating budget occurs when a council's projected operating revenue matches or exceeds its planned operating expenditure, ensuring that the Council does not spend more than it earns.

Borrowings – Refers to obtaining funds from external sources, typically through loans or bonds, to finance projects or cover expenses.

Capital expenditure – Money spent on acquiring or building long-term Council assets.

Capital value – The value of land plus additions such as buildings, driveways, and fences.

Community boards – A local elected body set up under the Local Government Act 2002. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone, and Wainuiomata.

Compliance – Compliance refers to adhering to relevant laws, regulations, policies, and standards set forth by governing bodies or authorities, ensuring that the Council operates within legal and ethical boundaries.

Consultation document – A document that clearly explains matters proposed to be included in the 10 Year Plan and provides an opportunity for the public to participate in decision-making. It explains objectives, significant issues, and how rates, debt, and levels of service might be affected as a result of those decisions. The content requirements of the consultation document are set out in the Local Government Act 2002.

Critical infrastructure – Assets which provide critical services and failure of which could result in major outages or disruptions to service such as reservoirs, pumping stations, and main network pipes.

Democracy – The way Council govern themselves. It can be used to mean community participation in decision-making between elections, as well as at elections.

Depreciation (amortisation) – An expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to intangible assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Development contribution – A payment made by a developer to cover part of the costs of providing infrastructure to a new development, ie, growth-related cost.

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 subsidiary 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.

General rates – The rates levied on most properties for general services including residential, rural, business, and utility. They are levied on the basis of zoning, land use, and capital value.

Grant or subsidy – Money given from local or central government or other funds to a person or group for a specified purpose.

Hearing – Meeting at which members of the public speak formally to elected representatives and/or staff about an issue.

Income – Revenue gained from all sources during the year, such as rates, grants, special funds, subsidies, and fees and charges. Income does not include loans or the proceeds in excess of the net book value from the sale of assets.

Inflation – Inflation is the gradual increase in the prices of goods and services in an economy over time.

Infrastructure – The stock of fixed capital equipment that helps a community to function. This includes the pipes and machinery that allow councils to collect and manage water, wastewater, stormwater, and rubbish, as well as assets such as roads and buildings.

Intergenerational equity – Refers to the principle of ensuring fairness and sustainability in decision-making processes that impact present and future generations, aiming to distribute resources, benefits, and burdens fairly across different generations while preserving the environment and meeting the needs of both current and future residents.

Local Government Act 2002 (LGA) – 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 enables and sustains the people, the places, and the processes of Te Ao Māori (Māori worldview).

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.

Policy – A policy is a predetermined course of action or set of guidelines established by the Council to guide decision-making, address specific issues, or achieve particular goals within the community.

PPE – An accounting term for property, plant, and equipment representing all the assets of the Council, such as land buildings, pipes, roads, and community facilities.

Rates – A form of property tax. In Te Awa Kairangi ki Tai Lower Hutt, we have both general rates and targeted rates. General rates are based on a property's capital value, and Council use this money to invest in things like footpaths and libraries. Targeted rates are a fixed amount for each rating unit or separately used and inhabitable part (SUIP) of a rating unit. Targeted rates pay for things like water or wastewater.

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.

Resource consent – Where a council, using delegated authority under the Resource Management Act, gives an applicant permission for a particular land use activity.

Resource Management Act (RMA) – Resource Management Act is New Zealand's main piece of legislation that sets out how Council should manage our environment.

Revenue – Revenue represents the income generated by the Council through various sources, such as taxes, fees, grants, and other sources, which are crucial for funding public services and initiatives within the community.

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.

Seaview Marina Limited (SML) – This is a Council-owned subsidiary which is Wellington's newest and fastest developing marina, situated at the sheltered north-east end of Wellington Harbour.

Strategy – A policy is a predetermined course of action or set of guidelines established by the Council to guide decision-making, address specific issues, or achieve particular goals within the community.

Subsidiaries – A company or trust, 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 provides operational funding to these organisations.

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.

Three waters/water services – A term for grouping the three water services provided by councils together: water supply, wastewater, and stormwater.

Urban Plus Limited (UPL) & Urban Plus Limited Developments Limited (UPLD DL) – These are Council owned subsidiaries and are multidisciplined property companies. They provide high quality residential property development, rental housing portfolio management, and strategic property services.

User charges – Income to Council through fees and charges paid by those who use specific services Council provides.

Waste levy – The waste disposal levy raises revenue for initiatives to reduce waste and encourage resource recovery (eg, composting and recycling).

Wellington Water Limited (WWL) – Wellington region's professional water services provider. They are 100% owned and funded by Councils in the region, and their job is to provide safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

Works programme – The works programme sets out the plans to be carried out over the next 10 years, such as pipeline renewal upgrades, enhanced cycle tracks, or equipment replacements. The schedule includes the year the work will take place, the costs of the work, and the source of funding.

Āpitihanga 2: Tō koutou Koromatua me ngā Kaikaunihera
Appendix 2: Your Mayor and Councillors

Hutt City Council is made up of 13 Councillors and a Mayor. Along with all other local authorities in New Zealand, Council is elected every three years.

The Mayor and five Councillors are elected on a city-wide basis, while six Councillors are elected to represent their respective wards, all working in the best interests of the city as a whole. There are six wards – Central, City Wide, Harbour, Northern, Wainuiomata, and Western, each with one Councillor. There is one Māori ward - Mana Kairangi ki Tai Māori Ward.

Following elections in October 2025, a new Council was sworn in for the new triennium. You can find information about Hutt City Council's elected members below and on our website – hutt.city/councillors



Fauono Ken Laban

Te Koromatua
o Te Awa Kairangi

Mayor of Lower Hutt



Keri Brown

Koromatua Tuarua
Deputy Mayor
Kaikaunihera o Wainuiomata

Wainuiomata Ward Councillor



Andy Mitchell

Kaikaunihera ki Te Raki

Northern Ward Councillor



Naomi Shaw

Kaikaunihera ki Te Raki

Northern Ward Councillor



Glenda Barrat

Kaikaunihera ki Te Riu

Central Ward Councillor



Simon Edwards

Kaikaunihera ki Te Riu

Central Ward Councillor



Tui Lewis

Kaikaunihera ki te
Whanganui

Harbour Ward Councillor



Te Awa Puketapu

Mana Kairangi ki Tai

Māori Ward Councillor



Chris Parkin

Kaikaunihera ki Te Uru

Western Ward Councillor



Karen (Kaz) Yung

Kaikaunihera o Te Tāone Whānui

At Large Ward Councillor



Prabha Ravi

Kaikaunihera o Te Tāone Whānui

At Large Ward Councillor



Brady Dyer

Kaikaunihera o Te Tāone Whānui

At Large Ward Councillor



Tony Stallinger

Kaikaunihera o Te Tāone Whānui

At Large Ward Councillor



Mele Tonga-Grant

Kaikaunihera o Te Tāone Whānui

At Large 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

Website: huttcity.govt.nz

Facebook: facebook.com/huttcitycouncil

Chief Executive Tumu Whakarae: Jo Miller

Email: jo.miller@huttcity.govt.nz

Neighbourhood hubs

War Memorial Library

Address: 2 Queens Drive, Lower Hutt
Phone: 04 570 6633

Eastbourne Neighbourhood Hub

Address: 38 Rimu Street, Eastbourne
Phone: 04 562 8042

Maungaraki School Community - Whare Pūrākau

Address: Maungaraki School,
137 Dowse Drive, Maungaraki
Phone: 028 2550 3219

Moerā Neighbourhood Hub

Address: 107 Randwick Road, Moerā
Phone: 04 568 4720

Naenae Neighbourhood Hub

Address: Hillary Court, Naenae
Phone: 04 567 2859

Petone Neighbourhood Hub

Address: 284 Jackson Street, Petone
Phone: 04 568 6253

Koraunui Stokes Valley Neighbourhood Hub

Address: 186 Stokes Valley Road, Stokes Valley
Phone: 04 562 9050

Walter Nash Centre

Address: 22 Taine Street, Taitā
Phone: 04 560 1090

Wainuiomata Neighbourhood Hub

Address: 1a–1c Queen Street, Wainuiomata
Phone: 04 564 5822

Pools

Huia Pool + Fitness

Address: Huia Street, Lower Hutt
Pool phone: 04 570 6655
Fitness suite phone: 04 570 1053

Stokes Valley Pool + 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

Te Ngaengae Pool + Fitness

Address: 12 Everest Avenue, Naenae
Pool phone: 04 567 5043
Fitness suite phone: 04 567 5431

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

HUTT CITY
TE AWA KAIRANGI