


2021–22



Pūrongo ā-Tau Annual Report





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

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 parzi mai ko Te Whanganui a Tara e pōkarekare mai ana.

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

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

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

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

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

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

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

Ngā hua o roto

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Nā Te Koromatua

From our Mayor



E ngā ringaringa e mau
ana ki tōu kīwei o te kete

Mā te kaunihera e mau
i tō mātou

Mā tātou katoa e kawē atu
rā ki te pae tawhiti kia tata

Tēnā tātou katoa!

To the many hands
holding on to your handle
of the basket

Council will hold fast
to ours

And it is by us all together
that the basket is carried
until the distant horizon
meets us

I greet us all

Over the past year we have continued to make good progress on getting the basics right for our city. While we still had COVID-19 to deal with, we continued to deliver the essential services our residents expect and worked to improve the needs of our growing communities. We have fronted up to the big challenges and have forged ahead with crucial investments that deliver against our Long Term Plan priorities.

We adopted our first carbon reduction plan and developed a citywide roadmap to decrease emissions. We implemented a new rubbish and recycling service that is cheaper for 80 per cent of residents, and which

has already seen a 25% increase in recycling collected at the kerbside. We also signed off our city's first Integrated Transport Strategy, making headway on key transport projects that will create better links and access for our communities.

We became an accredited Living Wage employer, and on top of this, we implemented our new approach to procurement to achieve wider local, social, and environmental outcomes through our contracts and council projects.

We reached key project milestones that have since led to the completion of the Manor Park section of the Hutt River Trail, the start of construction on Tupua Horo Nuku (Eastern Bays Shared Path), and the start of RiverLink is at our doorstep. Capital investment of \$66M was delivered for the year, and we expect our capital investment programme to ramp up in the year to come as we've built up capacity and capability over the past 12 months.

Construction of the Naenae pool and fitness centre started, and in line with our environmental commitments, will be a carbon neutral facility once complete, and first Green Star 5 rated aquatic facility in the country!

We've continued to heavily invest in our water network to ensure we're delivering safe, reliable, and affordable drinking water, and so our pipes can cope with ongoing growth.

It's certainly been a busy 12 months, and not without challenges. Our city's resilience was tested with significant rainfall causing flooding in low lying areas. Extreme weather events are forecast to become more frequent and indeed our city and residents have borne the brunt of this in 2022. Looking ahead, it's clear we need to put a climate lens over everything we do.

I'm proud of the progress we're making to create a Te Awa Kairangi ki Tai a place where all our people thrive. I'm looking forward to working with you as we continue to get the basics right and deliver for our people.

Maha rawa hā tātou
mahinga te kore mahi
tonu, tawhiti rawa tō
tātou haerenga te kore
haere tonu

We have done too much
to not do more, we have
come too far to not go
further – Tā Hēmi Henare

Campbell Barry

Te Koromatua
Mayor
Hutt City Council

Nā Te Tumu Whakarae

From our Chief Executive



Ki te kotahi te kākaho ka whati, ki te kāpuia, e kore e whati.

If there is but one toetoe stem it will break, but if they are together in a bundle they will never break.

This year's 2021/22 Annual Report for Hutt City Council reports on our performance against the first year of the Long Term Plan (10 Year Plan).

Living and working with COVID-19 in the community continued to impact our organisation and services last year. We were able to support our local health service to provide vaccine clinics and worked with government on other health measures to protect our community.

We made progress on our large capital investment programme, which is focused on essential, but ageing infrastructure. The ongoing impact of COVID-19, supply chain issues, and a competitive labour market constrained our ability to achieve our full programme.

We achieved solid financial performance results for the year against the path set in 10 Year Plan. Capital investment of \$66M was delivered for the year at a similar level to the prior year result. From a balanced budget perspective, our financial performance for the year equated to a \$14.2M deficit which was slightly better than budget. We retained our strong AA credit rating.

Council set a 5.9% rates revenue increase (excluding growth) this year resulting in an increase for an average residential property of \$2.51 per week. Over half of the increase was to fund the city's water supply and wastewater services. The new kerbside rubbish and recycling service was paid for through an additional targeted rate which was cheaper for the majority of households.

This Annual Report also details our performance against the measures in the 10-year plan. Last year we had a record number of resource consents, 50% more than the previous year, with far more complex multi-unit developments. We have not been as timely as we would like in our processing of these and other regulatory functions and this is a key improvement area for us. Improving performance through scaled up investment in information technology to enable faster processing is a key priority.

We focussed on modernising our systems and processes this year as we are bringing in new technology. We are on the right path, though there is more to do.

It's clear that our staff have immense pride and commitment to our community and that they are working to make a real difference to people's lives here in Te Awa Kairangi ki Tai – Lower Hutt. And we're invested in their wellbeing so that we are able to support our core purpose – making sure our city and all of its people thrive.

Finally, thank you Mayor and elected members for your support this year. And again, thank you to all staff, contract partners and other organisations we work with. It is a privilege to lead this workforce in service of our city and its people.

Kotahi anō te kōhao o te ngīra e kuhuna ai te miro mā, te miro whero, me te miro pango.

There is but one eye of the needle, through which the white, red and black threads must pass.

Jo Miller

Tumu Whakarae
Chief Executive
Hutt City Council



1 Tirohanga whānui

Overview

Aratohu pānui pūrongo

How to read this report

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

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

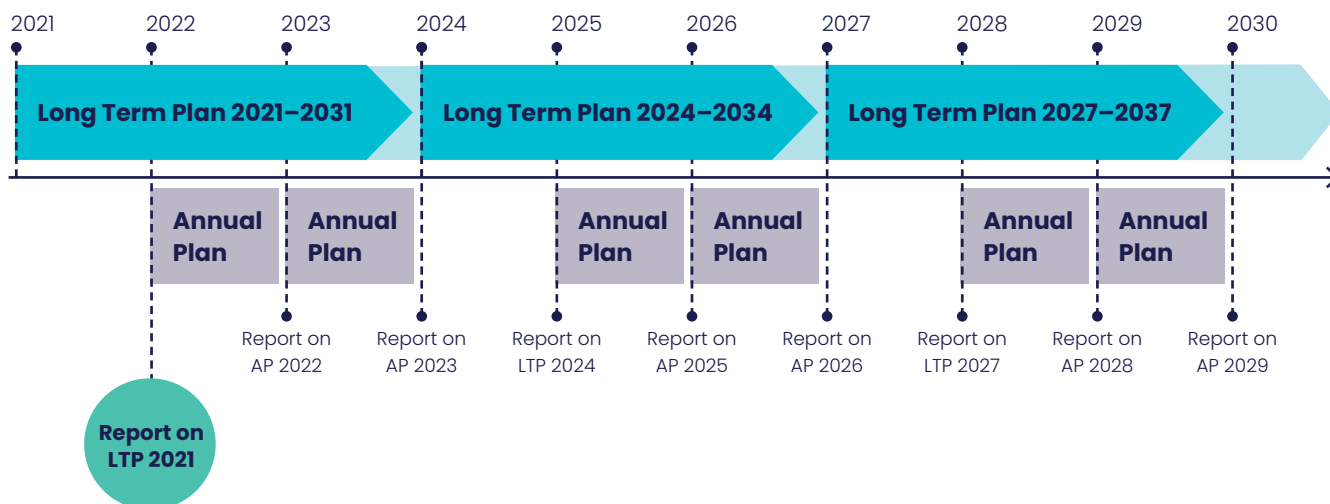
- Our Long Term Plan (also known as the 10-Year Plan) and Annual Plan work together in a series. The Long Term Plan sets out the vision for our city over the following decade, and outlines key projects and budgets for that period. The first year of the Long Term Plan also serves as the Annual Plan for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

In 2021 we published a 10 Year Plan, which sets out the plans for 2021 to 2031. The first year of that Long Term Plan, 2021–22, is being reported on in this Annual Report.

In our Long Term Plan we set our vision for a city where everyone thrives. To get there, we identified six key priorities (see page 13 in this Annual Report for more information on those priorities).

- 1** The first section of this Annual Report gives an overview of our performance and key highlights from the year. This section is divided into the six key priority areas so you can see what we're doing in each area to work towards achieving our vision.
- 2** The second section of this document shows our detailed performance in every area of our work, as well as our actual spending compared to our budgets.
- 3** The final section is dedicated to our detailed financial information for the year 2021–22.

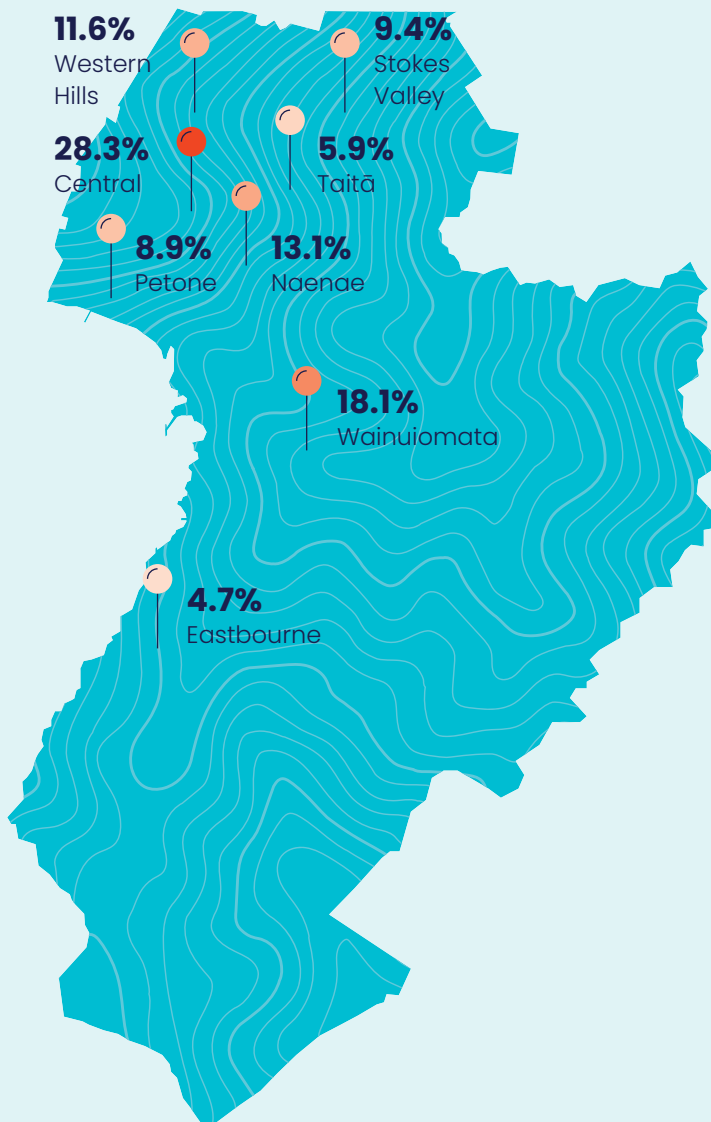
Council planning and performance monitoring cycle



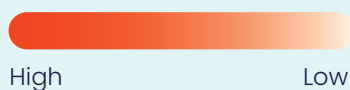
Tō tātou tāone

Our city

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



Population density



Population

43,900

Households (Sense Partners 2022)

113,600

Residents (Sense Partners 2022)

1 in 5

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

1 in 4

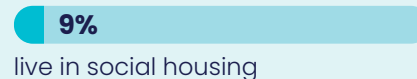
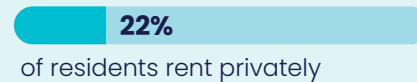
live in areas rated among the least deprived (Census 2018)



Housing

\$525

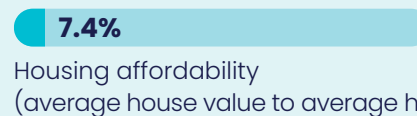
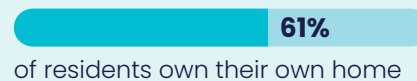
median rent per week



(Dot Loves Data, May 2022)

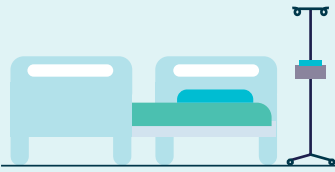
\$955,401

Average house value



1 in 4
households
suffer dampness
(Census 2018)

1 in 5
households
have mould



Health

76

Average age of death

231 per 100,000

Child mortality rate of under 5 year olds

14%

Regular smokers

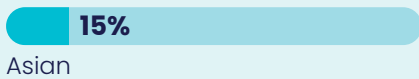
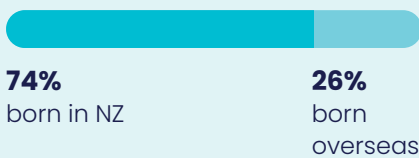
(Ministry of Health)

8%

of people aged 20+ living with diabetes



Ethnicity



(Census 2018)

\$82.10

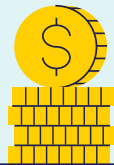
per person per quarter is the average amount lost to gaming machines (pokies) (Dot Loves Data)

Over half

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

2x

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



Income

\$62,450

Average annual household income

Top industries by jobs:

- 1 Construction: 6,718
- 2 Healthcare and social assistance: 6,311
- 3 Retail trade: 5,232
- 4 Professional, scientific, and technical services: 4,888
- 5 Manufacturing: 4,839

Top industries by GDP:

- 1 Manufacturing: \$743M
- 2 Professional, scientific, and technical services: \$644M
- 3 Healthcare and social assistance: \$551M
- 4 Construction: \$546M
- 5 Rental, hiring and real estate services: \$445M

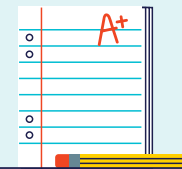
(Infometrics Lower Hutt city annual economic profile, 2021)



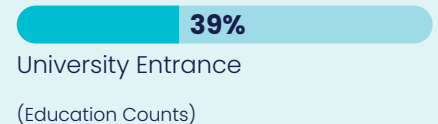
Language

Top 5 languages:

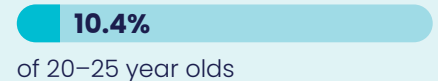
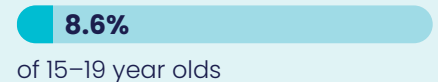
English, Māori, Samoan, Hindi, Northern Chinese



Education

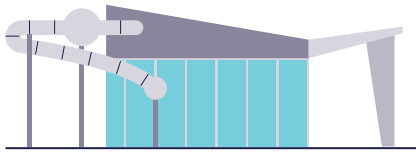


NEET rate (youth not in education, employment, or training):

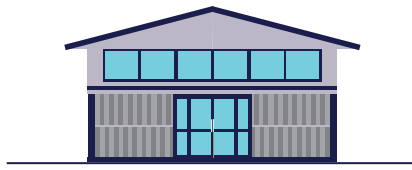


(Stats NZ)

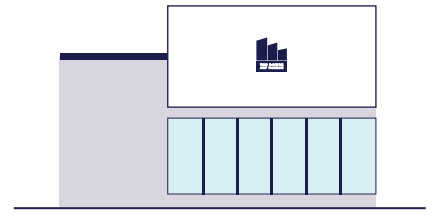
Facilities



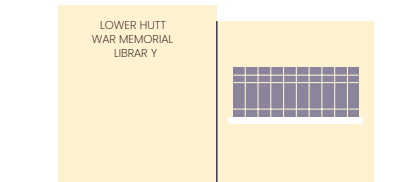
5
pools



12
community
halls



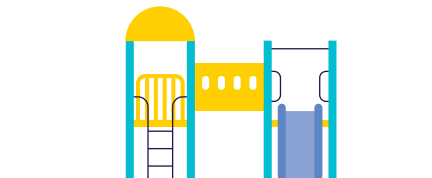
2
museums



8
neighbourhood
hubs and libraries



349
reserves



2,781 hectares
(these include parks, reserves,
sports grounds, playgrounds,
gardens, and cemeteries)

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

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

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

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

Nga Kīwei o Te Kete

Partnership with Mana Whenua

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

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

Council has developed Tākai Here (memoranda of partnership) with the organisations representing Mana Whenua and iwi Māori in Te Awa Kairangi ki Tai Lower Hutt. These take a covenant approach, reflect iwi plans, and align with Council and iwi aspirations.

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

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

**Tēnei ake anō
ko ngā kīwei
o te kete.**

**Kei a au tōku,
kei a koe tōu.**

This is indeed
the handles
of our basket.
I have one
handle, and you
have the other.



Hō mātou whakaarotau

Our priorities

Our vision is to create a city where everyone thrives.

As a community, we're facing a number of significant challenges – so in our most recent 10 Year Plan, Council identified six key priorities that will help us to tackle these challenges together and achieve our vision:



1 Whakangao i ngā poupou hapori

Investing in infrastructure

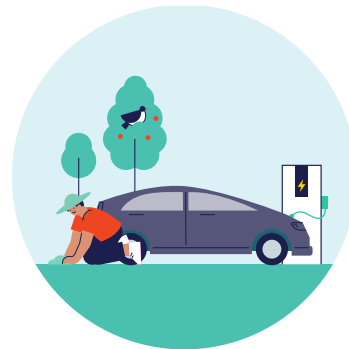
Investing in high-quality infrastructure that supports our people to move around, receive basic services (like water), and enjoy our community facilities.



2 Hei Āhuru Mōwai mō te Katoa

Increasing housing supply

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



3 Tiaki Taiao

Caring for and protecting our environment

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



4 Taunaki Ōhanga Auaha, Tāone Whakapoapoa

Supporting an innovative, agile economy and attractive city

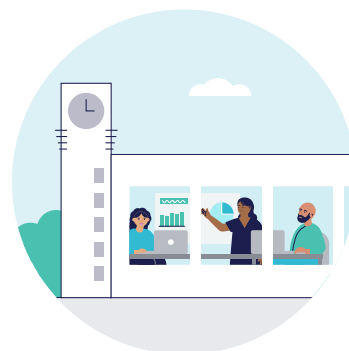
Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi Lower Hutt to make our city an attractive place to work and invest.



5 Tūhono Hapori

Connecting communities

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



6 Whakauka Ahumoni

Financial sustainability

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

Ngā mahi o te tau

Our year in review

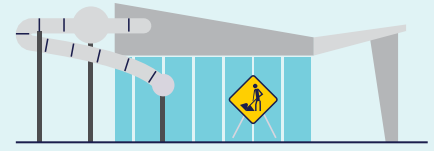
An overview of our performance and key highlights from the year.



1,318
new residential dwellings
consented



42%
of the council vehicle
fleet is electric



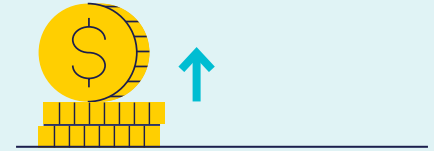
Out with the old
and in with the new: Naenae Pool
demolished, and construction
started on the new Pool and
Fitness Centre



19 homes
being built in Taitā's Takai
Here Tāngata development



66%
of our capital investment went
towards vital city transport and
three waters infrastructure



\$2.51 per week
rates increase on an
average residential property*

* Excludes the change for the implementation of the waste services scheme where households had offsetting savings.

Key highlights



Adopted our
Integrated
Transport
Strategy



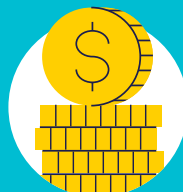
Started the
Wainuiomata
Queen Street
Upgrade



Lodged consents
for RiverLink



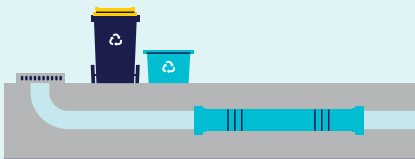
Became
Living Wage
accredited



\$1.4M in grant
funding made
available to
community groups
and businesses



We introduced a
sinking lid policy
on gambling
pokies in our city



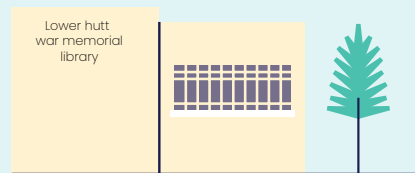
120,205

new rubbish and recycling bins distributed to Te Awa Kairangi ki Tai Lower Hutt households



490,857

visits to pools



712,932

physical library loans



38,188

rubbish bins



116,605

visits to The Dowse



115,321

electronic library loans



37,821

recycling bins



5,778

tonnes of recycling collected



4,390

physical library loans via home delivery



5,440

green waste bins



38,756

blue crates for glass recycling



Play in the Hutt won Outstanding Project Award at the Recreation Aotearoa Awards



Fraser Park was awarded Cricket Wellington's "Ground of the Year"



We celebrated the first official Matariki public holiday



Eastern Bays Shared Path name and cultural narrative was gifted by Te Atiawa Taranaki Whānui



Carbon zero by 2050: We adopted our Carbon Reduction and Climate Resilience Plan, and worked with the community on a Te Awa Kairangi ki Tai Lower Hutt Climate Action Pathway

Whakangao i ngā poupou hapori

Investing in infrastructure

High-quality infrastructure is critical to creating a city where everyone thrives. Our infrastructure needs to support our people to move around safely and efficiently, receive basic services (like water), and enjoy our community facilities.

Here are some of our key infrastructure achievements over the last year.



We made progress on Tupua Horo Nuku (Eastern Bays Shared Path)

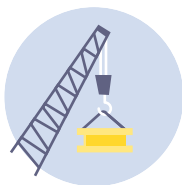
Tupua Horo Nuku is a shared path between Eastbourne and Point Howard.

Resource consent was confirmed in June 2021, and after some delays due to the second COVID lockdown, we ran a community open day in October.

In November 2021, we confirmed that Te Ara Tupua Alliance will deliver the southern section of the path. The Alliance includes Waka Kotahi and a team of contractors from Tonkin & Taylor, Downer, and HEB Construction.

In February 2022, this project was gifted the name Tupua Horo Nuku and a cultural narrative by Mana Whenua. Tupua Horo Nuku tells the story of Ngake, one of the two tupua who created Te Whanganui-a-Tara and Te Awa Kairangi.

As we head into the new financial year, we're finalising detailed designs and preparing to start construction of the southern section, Windy Point, and Sunshine Bay.

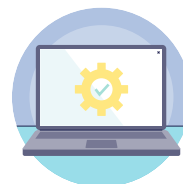


We submitted applications to the Government's Infrastructure Acceleration Fund application

In March 2021 the central government announced a \$3.8 billion Housing Acceleration Fund. This fund included \$1 billion for investment in critical infrastructure to support building more houses.

Our application to the fund was for stormwater and wastewater upgrades across the valley floor and in the CBD. This will support more homes being built in areas close to shops, schools, and other services.

In October 2022 our application was approved, and we were granted \$98.9 million.



We're upgrading Council's digital infrastructure

Upgrading our digital infrastructure has been a major piece of work behind the scenes at Council this year. We need to make sure that the tools we use are modern, fit-for-purpose, and secure.

This year we:

- Rolled out Microsoft Office 365 and Sharepoint across the organisation, ensuring better record-keeping and future-proofing our information and resources.
- Introduced our new external website to improve security and make services easier to access for the public.
- Introduced multi-factor authentication for all staff devices to improve security, and protect customer data and commercially-sensitive information.



Integrated Transport Strategy

In June 2022, we adopted our Integrated Transport Strategy, *Whiria te muka tangata, whārikihia te kaupapa Better Connections*. This strategy has been designed with community input from start to finish, and will be used to guide future Council decisions.

The Integrated Transport Strategy outlines our vision and strategic direction for responding to Te Awa Kairangi ki Tai Lower Hutt's growing transport challenges. It requires us to think about land use and transport planning alongside investment, as well as encouraging behaviour change (like making cycling and public transport more attractive options).

We have a number of challenges when it comes to getting around our city, from limited travel choices, to safety and community wellbeing.

Our strategy focuses on developing connected and safe networks for cycling, walking, and using public transport. We also want to encourage people to rethink how and when they travel, and make it easier for everyone to use public transport.

An important part of our plan is building housing and key services close to employment and activity centres to reduce travel distances and reliance on cars.

Our communities are important, and our environment is precious. This strategy aims to improve community and environmental health while creating safer communities.

Hei āhuru mōwai mō te katoa

Increasing our housing supply

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

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

In the past year we’ve issued a significantly higher number of building consents for new homes than in the past. There is also more variety in the types of homes that are being built, which means more consents for non-house buildings, like apartments and townhouses. (See Graph 1)

We’ve also received record numbers of resource consent applications in recent years. This unprecedented volume of consents means our staff are working harder than ever to process applications. There is a limited pool of people across the country to do this work, and other councils are facing similar pressures to ours.

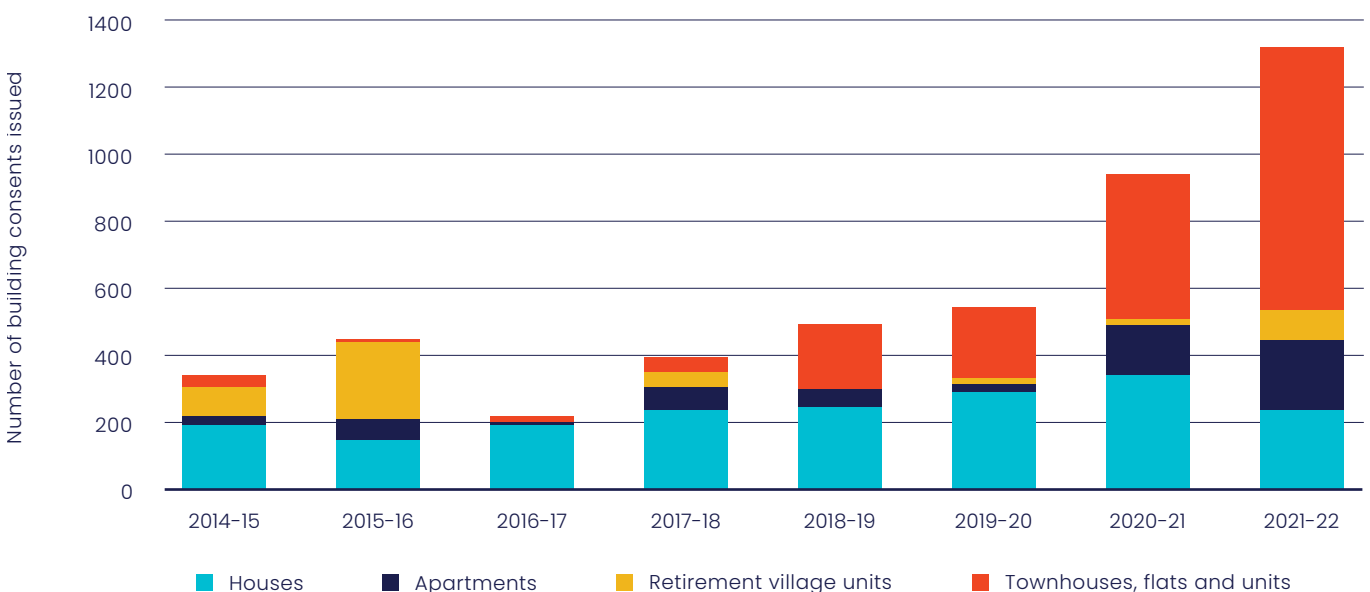


We issued 1,318 building consents for new homes over the past year.

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

To address this challenge, we’ve set up an internal team to focus on delivering improvements to the processing timeframes.

Graph 1: Number of consents issued each financial year since 2014–2015, by home type





Takai Here Tāngata development

In 2021 we started building 19 new homes in Taitā, as part of the He Herenga Kura, He Herenga Tangata, He Herenga Whenua partnership, for whānau experiencing housing stress.

This innovative partnership is the first of its kind in the country. It represents collaboration between Te Rūnanganui o Te Āti Awa, Kahungunu Whānau Services, Hutt City Council, and Council-controlled organisation Urban Plus Limited (UPL).

Finding permanent homes for our people is a priority for Council – as well as a goal for the partnership – and the partnership model ensures that UPL can take on this project at no cost to ratepayers.

This way of working enables Council to directly contribute to building warm, safe, and affordable homes for those in desperate need in our city. The homes are being built to Homestar-6 standards, which means warmer, drier homes with lower running costs for the people who live in them. The construction process also produces less waste and the materials used to build the homes have lower environmental impacts.

The development in Taitā is named Takai Here Tāngata, which speaks to the binding together of people to a place – in other words, creating a community.

Tiaki taiao

Caring for and protecting our environment

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



We adopted our Carbon Reduction and Climate Resilience Plan

We've set a goal of reducing our emissions to net zero by 2050.

In July 2021 we produced our Carbon Reduction and Climate Resilience Plan, which sets our plans to reduce emissions. We included actions to reduce our own emissions, but also the city's emissions where Council can directly make a difference.

As part of this plan, we've already made great progress on some of the key action points.

We're working on phasing out natural gas from our facilities: we upgraded Eastbourne Pool, the first phase of the Huia Pool upgrade is underway, and we'll start work on the Dowse electric heat pump project later in the coming year. We've also already made 42% of our vehicle fleet electric.



We launched a community Climate Action Pathway

In March 2022 we also published a community Climate Action Pathway, which was created through a co-design process led by a group of community representatives and funded by Council.

While our Carbon Reduction Plan focuses on actions Council needs to take, the Climate Action Pathway is for our community: leaders, influencers, businesses, and residents who are involved (or want to get involved) in climate action to make a positive change for our city.

It sets out the pathway for our city to achieve our zero emissions target, including switching to electric vehicles and shifting to alternative modes of transport, moving away from fossil fuels to heat homes, and reducing waste.



We joined Race to Zero

In 2021 we became the third city in Aotearoa New Zealand to join Race to Zero. This is a United Nations-led campaign to rally leadership support, and work towards a healthy, carbon zero future.

Being a part of Race to Zero means we need to commit to specific action plans to reduce our carbon emissions and report on our progress.



New rubbish and recycling service

On 1 July 2021, we rolled out our new rubbish and recycling service across the city. All Te Awa Kairangi ki Tai Lower Hutt households now have one wheelie bin for rubbish, another for mixed recycling, and a crate for glass. Households can also opt to receive a green waste bin.

Every year, on average, each person in the Wellington region sends more than 600kg of rubbish to landfill.

The new rubbish and recycling collection service is designed to reduce waste going to landfill in three key ways:

- increasing kerbside recycling capacity,
- providing the option of smaller bins for rubbish (which cost less than the bigger bins), and
- offering a new green waste service.

Over the past year, we've collected 25% more recycling than the year before. We've also diverted 50% more material from landfill, which works out to around 4,800 tonnes.

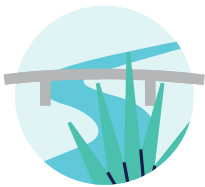
The new bins are fitted with lid-latches, to avoid rubbish or recycling becoming litter in our environment – especially on windy days. They're also more resistant to animals like cats and rats, which could tear into plastic rubbish bags left out for collection.

The rubbish trucks we're using are kinder on the environment too – half our fleet are electric, with the rest being converted to electric over the next year or so. The electric trucks have community-chosen names, from Bin Diesel and Bruce Springclean, to Chitty Chitty Bin Bin and Trucky McTruckface.

Taunaki ōhanga auaha, tāone whakapoapoa

Supporting an innovative, agile economy and attractive city

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



We lodged consents for the RiverLink project

RiverLink is a project that aims to turn Lower Hutt to face and connect with Te Awa Kairangi.

It's a partnership project with Waka Kotahi NZ Transport Agency, Hutt City Council, Greater Wellington Regional Council and Mana Whenua. RiverLink will improve transport connections to our city and provide flood protection, as well as support urban revitalisation of Te Awa Kairangi ki Tai Lower Hutt.

It also includes the State Highway 2 Melling transport improvements, which are funded through Central Government's NZ Upgrade Programme.

In August 2021 we lodged our resource consent applications with the Environment Court. Getting to this stage is a huge milestone – it's the culmination of years of project development and collaboration involving many of the project team, key stakeholders, and community.

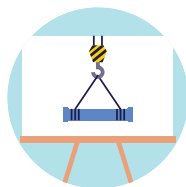
Hearings on the applications took place in April 2022, and the Environment Court approved a number of applications in an interim decision in August.



We announced new COVID-19 recovery business activation grants

In June 2022 we announced a \$150,000 fund to help attract customers back to hospitality and retail centres in Te Awa Kairangi ki Tai Lower Hutt.

Grants will be available to help fund events, activities, and any other ideas businesses may have to bring people into the city.



We hosted a jobs forum at WelTec's Wellington Regional School of Construction

We have a secure pipeline of work in the coming years as part of our ambitious capital investment programme. We want to make sure that work benefits the local economy as far as possible, which means creating jobs for locals.

In November 2021 we joined up with the Hutt Valley Chamber of Commerce and other key stakeholders to map out a pathway to fill jobs and train people as we begin to ramp up our multi-million-dollar investment programme.



We offered placements in The Settlement Start Up Incubator programme

In May 2022 we offered placements for businesses in The Settlement Start Up's incubator programme. This programme provides wraparound support to emerging businesses, with the goal for these businesses to become thriving, sustainable organisations.



We became Living Wage accredited

Our directly employed staff have been receiving the Living Wage since 2018. In 2021 this was extended to guarantee all directly employed staff and contractors receive the Living Wage, and Hutt City Council became a Living Wage accredited employer in November 2021.



Tūhono hapori

Connecting communities

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



We're revitalising Queen Street in Wainuiomata

The Wainuiomata Town Centre Upgrade aims to update the heart of this fast-growing suburb to better reflect the mana of the community.

In April 2022, the community's vision started to become reality as work began on the first of four stages designed by Local Landscape Architecture Collective.



We signed Tākai Here with Mana Whenua

This year we signed four new Tākai Here (relationship agreements) with Mana Whenua. These agreements set out the expectations of our partnership, including principles and roles and responsibilities. The Tākai Here replace previous memoranda of understanding with Mana Whenua.



Other highlights

- We announced our library refurbishment programme for five of our older libraries (Petone, Moerā, Eastbourne, War Memorial, and Naenae) in September 2021
- Fraser Park was awarded Cricket Wellington's "Ground of the Year" in May 2022
- We introduced a sinking lid policy on gambling pokies in our city in December 2021
- Play in the Hutt won "Outstanding Project Award" at the Recreation Aotearoa Awards in April 2022
- We celebrated the first official Matariki public holiday with a series of events throughout our city in June 2022



Naenae Pool and Fitness Centre and Naenae Town Centre upgrade

The new Naenae Pool and Fitness Centre is one of the most significant infrastructure projects we have underway.

The closure of Naenae Pool in April 2019 due to seismic risk had a big impact on the local community. They lost a well-loved recreational and sports facility, many Naenae businesses lost regular customers, and the vibrancy of the town centre was impacted.

After the pool closed, we engaged extensively with the community on the rebuild project.

A lot has happened onsite over the past year. In August 2021, the community was invited to repurpose salvaged items from the original building or take a memento to keep. We began demolition of the old site in September.

In October 2021 we went back to the community with draft concept designs, based on what they told us in 2019. We heard that our community is excited about the new pool and fitness centre plans and pleased to see a connection to the town centre, among other positive feedback.

In June, we held a dawn Huringa Nuku blessing to bless the site of the new pool, and began preparing the site for construction. Later in June, we announced that a second zoom tube and moveable bulkhead have been added to the plans for the pool.

The Naenae Pool rebuild project is also part of a programme of work to revitalise the Naenae town centre and local economy. In August 2021 we announced the Hillary Court revamp, and in October we bought the old Naenae Post Office, which will become a new community centre.

Whakauka ahumoni

Financial sustainability

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

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

Our financial strategy

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

- affordability of rates
- achieving intergenerational equity by spreading the costs between both present and future ratepayers
- maintaining prudent borrowing levels
- achieving a balanced budget and ensuring that everyday costs are paid for from everyday income
- delivering services effectively and efficiently
- strengthening council's financial position

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 2021–2031, [available on our website](#). It sets limits on the amount of debt we can take on compared to revenue (the debt to revenue ratio). It also forecasts net debt (the money we owe lenders, less cash) and when we will balance the books. The council books are balanced when everyday revenue pays for everyday expenses.

Investment in infrastructure

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

In 2021–22, total capital investment by council was \$66M compared to a budget in the 10-Year Plan of \$104M. Including the Urban Plus investment for the wider group, total capital investment was \$76M. This investment is the start of a steady increase in the size of our capital investment programme to implement the objectives of the 10-Year Plan.

Key investment during the year has included:

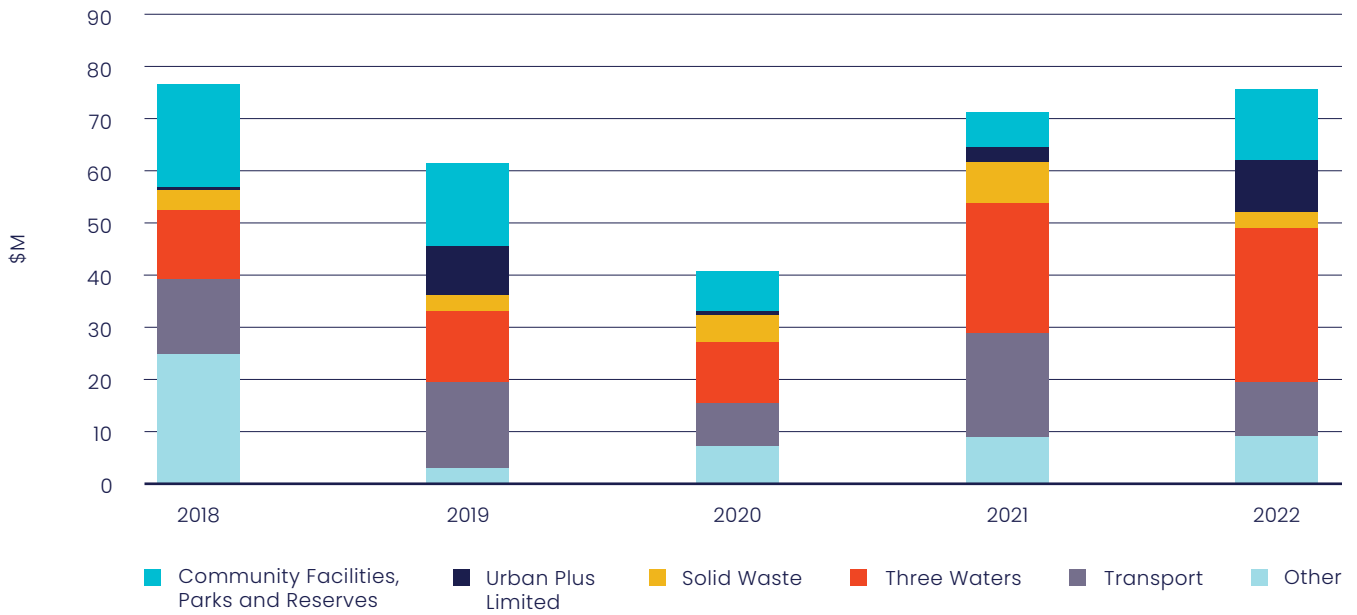
- \$29.3M in three waters infrastructure
 - Three waters network renewals of \$11M
 - Barber Grove to Seaview wastewater treatment plant project of \$7.8M
- \$10.6M on transport projects
 - Transport renewals of \$6.2M
 - \$2.6M to start work on Tupua Horo Nuku (Eastern Bays Shared Path)
- \$7.8M to begin works on the new Naenae pool and fitness centre
- \$4M on RiverLink as this project gets underway with our project partners Greater Wellington Regional Council and Waka Kotahi

Council's total capital investment this year is \$38M lower than planned. Our investment plans have been impacted by the ongoing effects of COVID-19, causing supply chain constraints, and impacting the availability of contractors and staff to be able to implement the capital programme. Key areas of underspend in 2021–22 include:

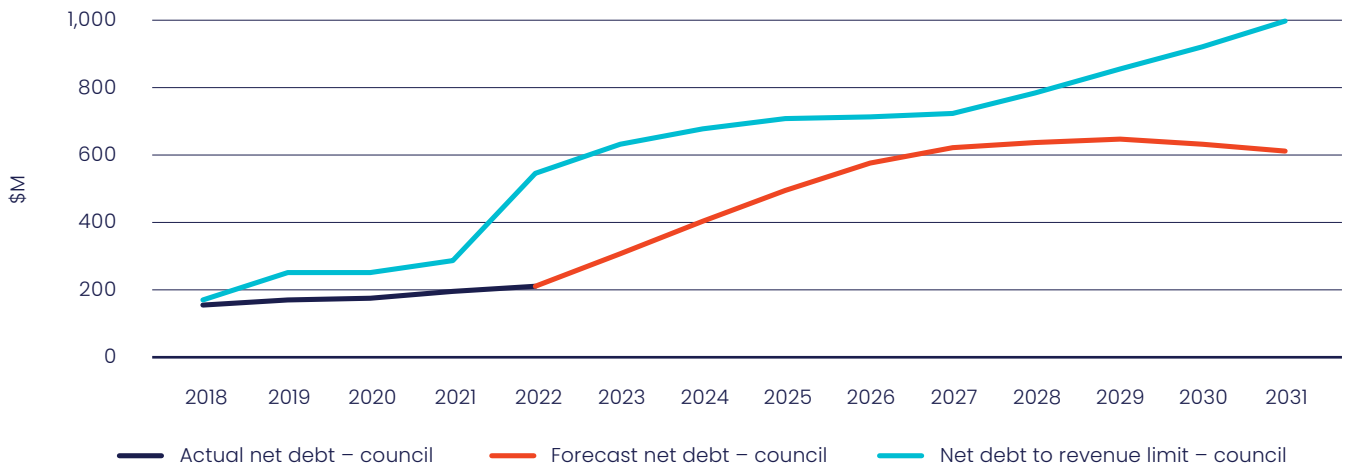
- \$7M underspend in the Petone Wharf refurbishment project which has been delayed while design and consent works are being completed
- \$8M underspend in transport projects, including cycling and micro-mobility, Tupua Horo Nuku (Eastern Bays Shared Path), and resealing projects
- \$10M underspend in three waters projects across a range of project areas

(See Graph 2)

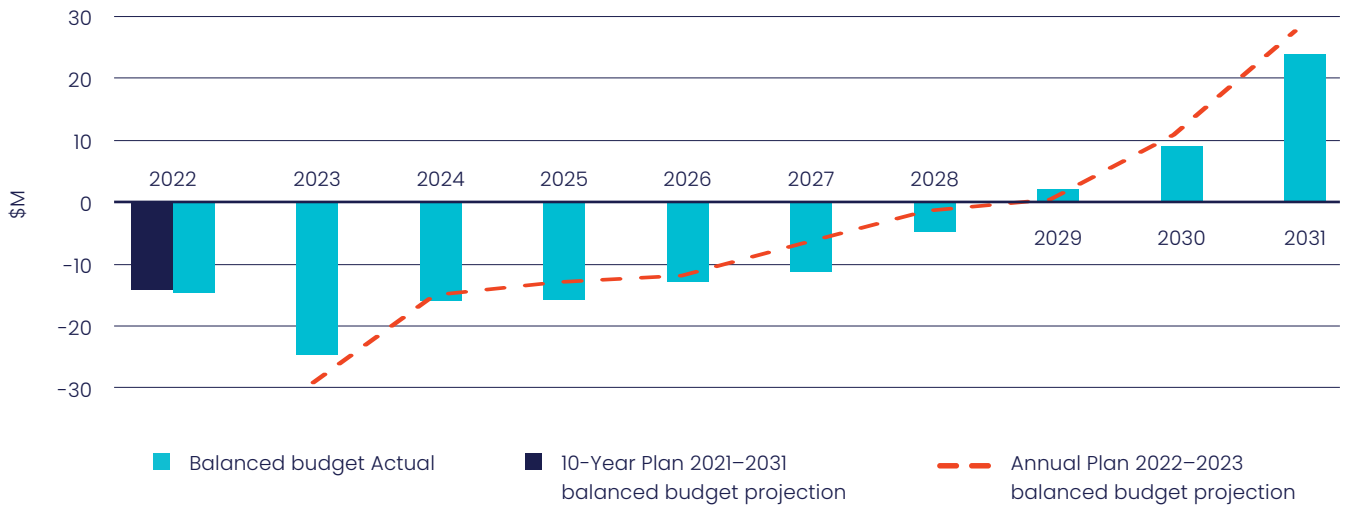
Graph 2: Group capital investment five year trend



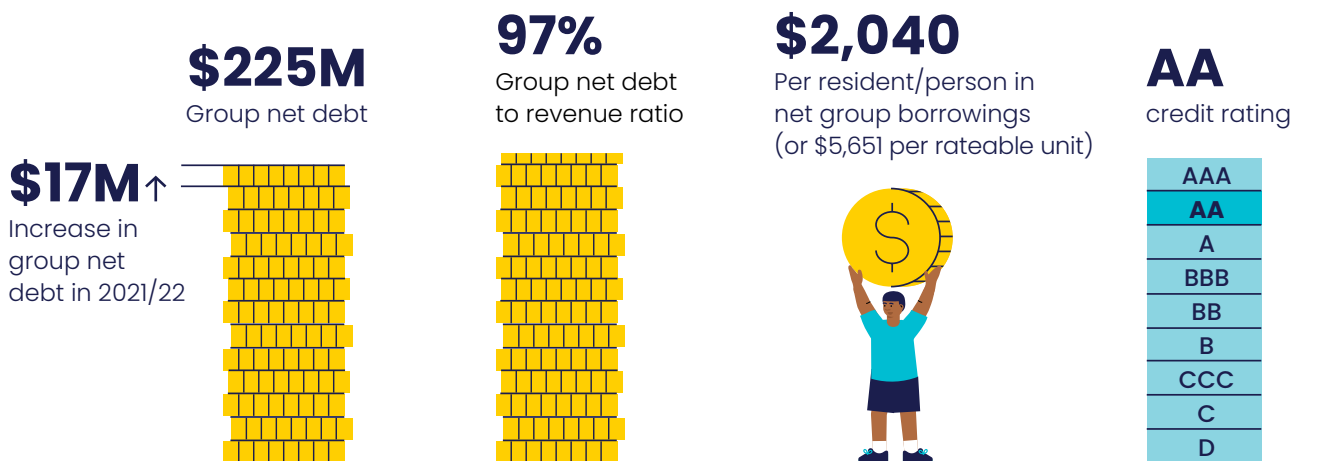
Graph 3: Council net debt



Graph 4: Council balanced budget actuals and projection



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



Prudent debt management

The council's debt is primarily driven by investment in new assets with long lives. The benefits from this spending will be spread over many years. Using debt financing means costs will be shared with those people who will benefit from the assets in the future, including this generation, and future generations.

We take a prudent approach to managing our debt. Our borrowing limits have been reset in our 10-year plan 2021–2031. This requires us to keep within our debt to revenue ratio of 250%. In the medium term, we expect our debt to revenue ratio to increase to around 214% as we lift our investment in core infrastructure over the coming years.

To help pay for investment in 2021–22, the group's net debt increased by \$17M. This increase was lower than planned largely as a result of capital investment not being fully achieved during the year. (See Graph 3).

Credit rating

We have a strong credit rating of AA from Standard and Poor's, one of the highest in New Zealand. This reflects the prudent manner in which we manage our debt and finances. Maintaining our credit rating enables easier access to liquidity and reduces our cost of debt.

Balancing the budget

The Council books are balanced when everyday revenue pays for everyday expenses. In our 10-Year Plan we set out our approach for measuring whether we are achieving a balanced budget. The 10-Year Plan balances a significant increase in capital investment with the need to achieve a balanced budget for the long term sustainability of Council services.

To ensure that this is done in a way that is affordable to ratepayers, Council will move towards this over a number of years. Council is currently expected to return to a balanced budget by 2028/29. In 2021–22 our balanced budget result was a deficit of \$14.2M, which was \$0.5M better than the budgeted \$14.7M deficit. The graph shows how we are doing compared to the plans laid out in the 10-Year Plan. (See Graph 4)

Revenue and expenditure

Expenditure

Our operating expenditure is what it takes to deliver our day-to-day services. It includes things like paying our staff, maintaining our community facilities, and providing support to the community. Council offers a wide range of services. Across the group, total costs for 2021–22 were \$230M. Graph 5 shows how the group's spending is spread across these services.

2021–22 is the first year of the Council's new 10-Year Plan. Cost increases in the current year include the implementation of this new plan, which included the new rubbish and recycling services that is funded through rates.

Council's operating costs were higher than budget by \$5.7M. This includes \$2.4M in three waters operating costs, primarily due to additional work funded by the government's three waters stimulus. We have also seen increased costs provided for future landfill aftercare of \$1.8M.

Finance costs were \$1.2M greater than budgeted, largely as a result of the rising interest rate environment. Depreciation costs were \$2.9M lower than planned, primarily as a result of the lower level of actual capital investment. (See Graphs 5 & 6)

Revenue

We fund our services and operations through a mix of rates and non-rates revenue. Total group revenue for 2021–22 was \$241M (excluding revenue on the revaluation of financial instruments).

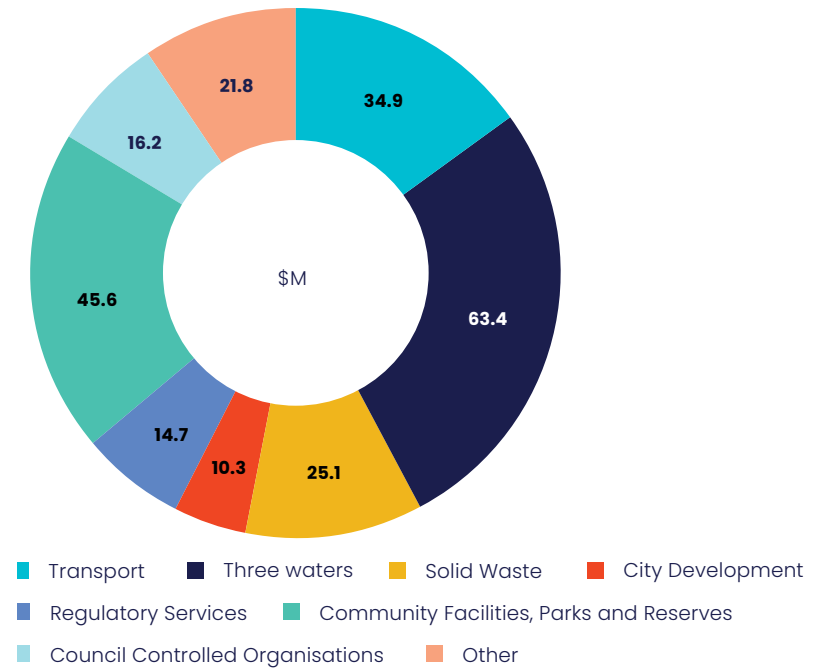
We have a high reliance on rates as an income stream. At \$130M it represents half of our revenue at a group level. Rates revenue increased by \$16.9M in the current year. \$8.3M of this increase reflects the first year of implementation of our new rubbish and recycling services. The remaining \$8.6M of the increase reflects the rates increase approved by Council as well as the growth and other minor changes that have occurred in the city.

During the year we have seen an increase in development and financial contributions revenue which is \$6.6M higher than budget. This is a reflection of the significant growth occurring in the city as well as impacts of council implementing a new Development and Financial Contributions Policy at the start of the year. This new policy increased charges applied to ensure that they covered the costs of growth assets required to support growth in the city.

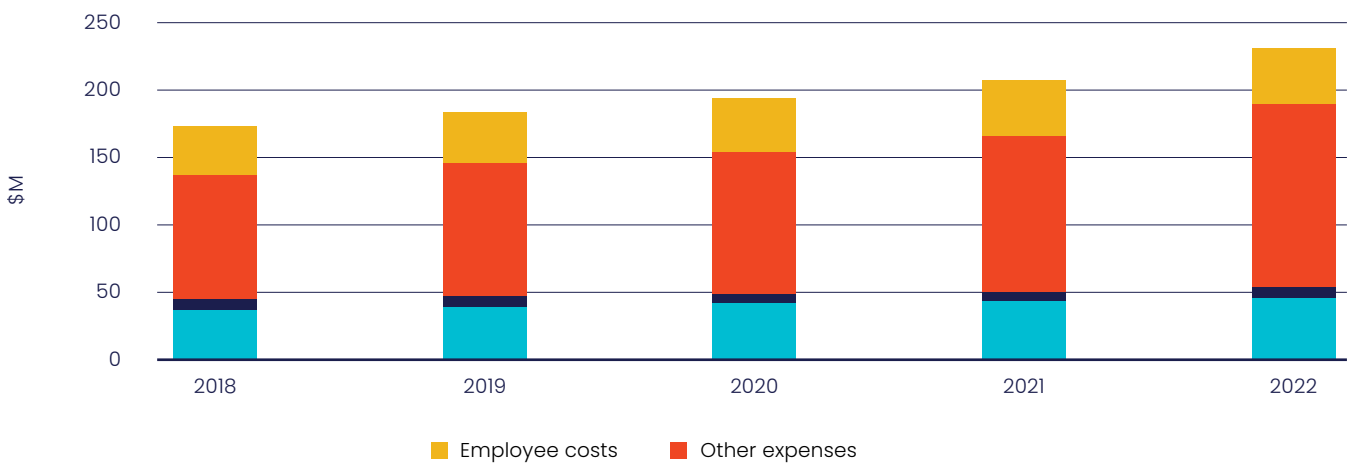
As a consequence this also resulted in a large influx of consent applications to precede the new policy.

Subsidy and grant revenue is \$3.6M lower than budgeted. This is a reflection of the lower than planned achievement of Council's capital programme resulting in lower related subsidy revenue, including \$5M lower Waka Kotahi capital subsidies. (See Graphs 7 & 8)

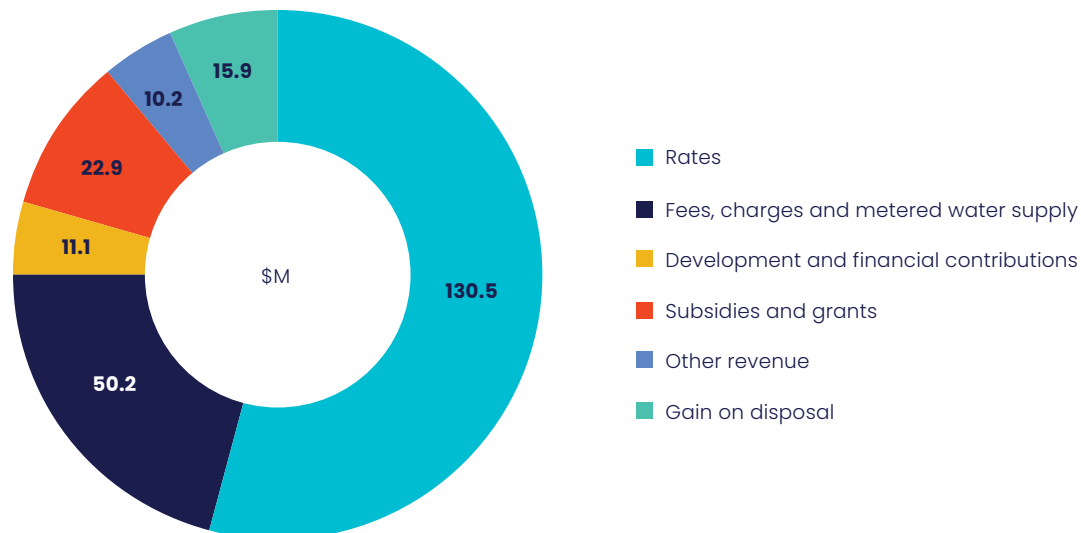
Graph 5: Group expenditure by activity in 2021–22



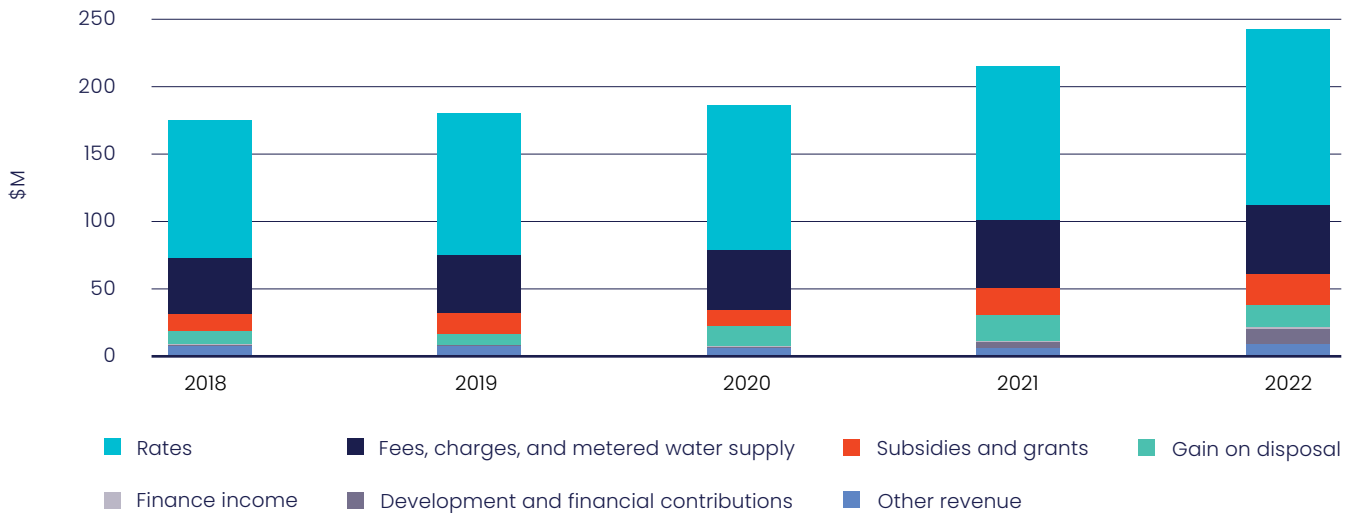
Graph 6: Group five-year trend of expenditure (\$M) - excluding losses on the revaluation of financial instruments



Graph 7: Group sources of revenue in 2021–22



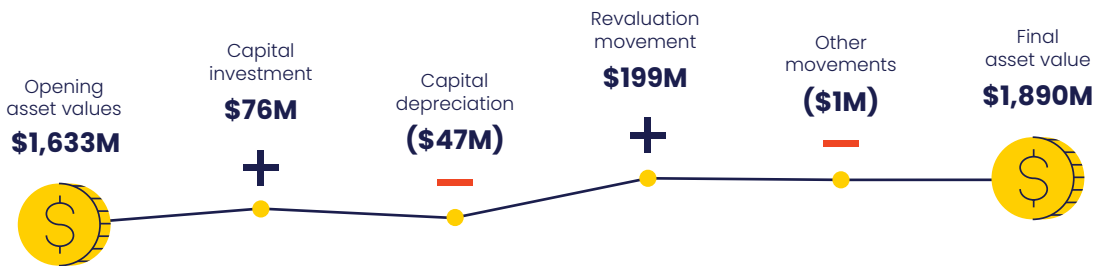
Graph 8: Group five-year revenue trend (\$M) – excluding revenue on the revaluation of financial instruments



Note: The rates increase for 2021–2022 includes the provision of new waste services.

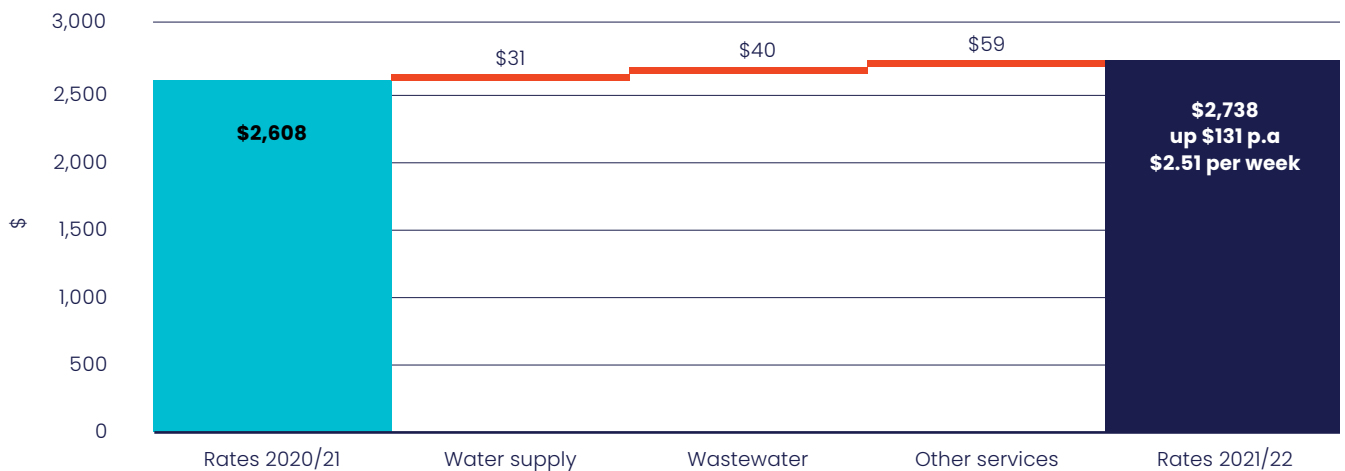
Property, plant and equipment revaluation

As a result of rising costs of construction, we completed a revaluation of our infrastructure and property assets a year earlier than planned, to ensure they accurately reflect our asset values. This resulted in a 12% increase in the value of these fixed assets across the group.

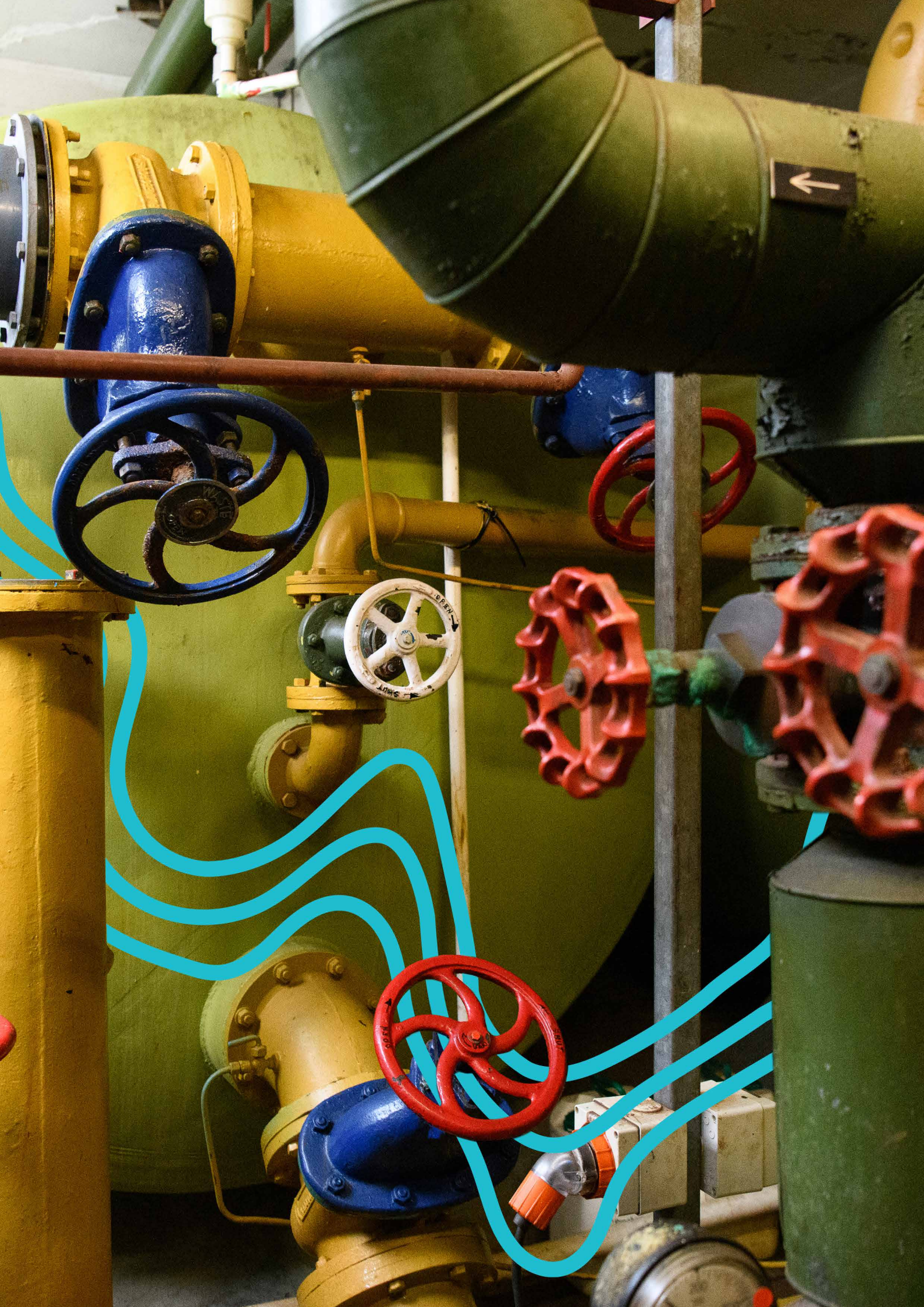


Rates

Graph 9: Rates change for average residential property with a capital value of \$629K



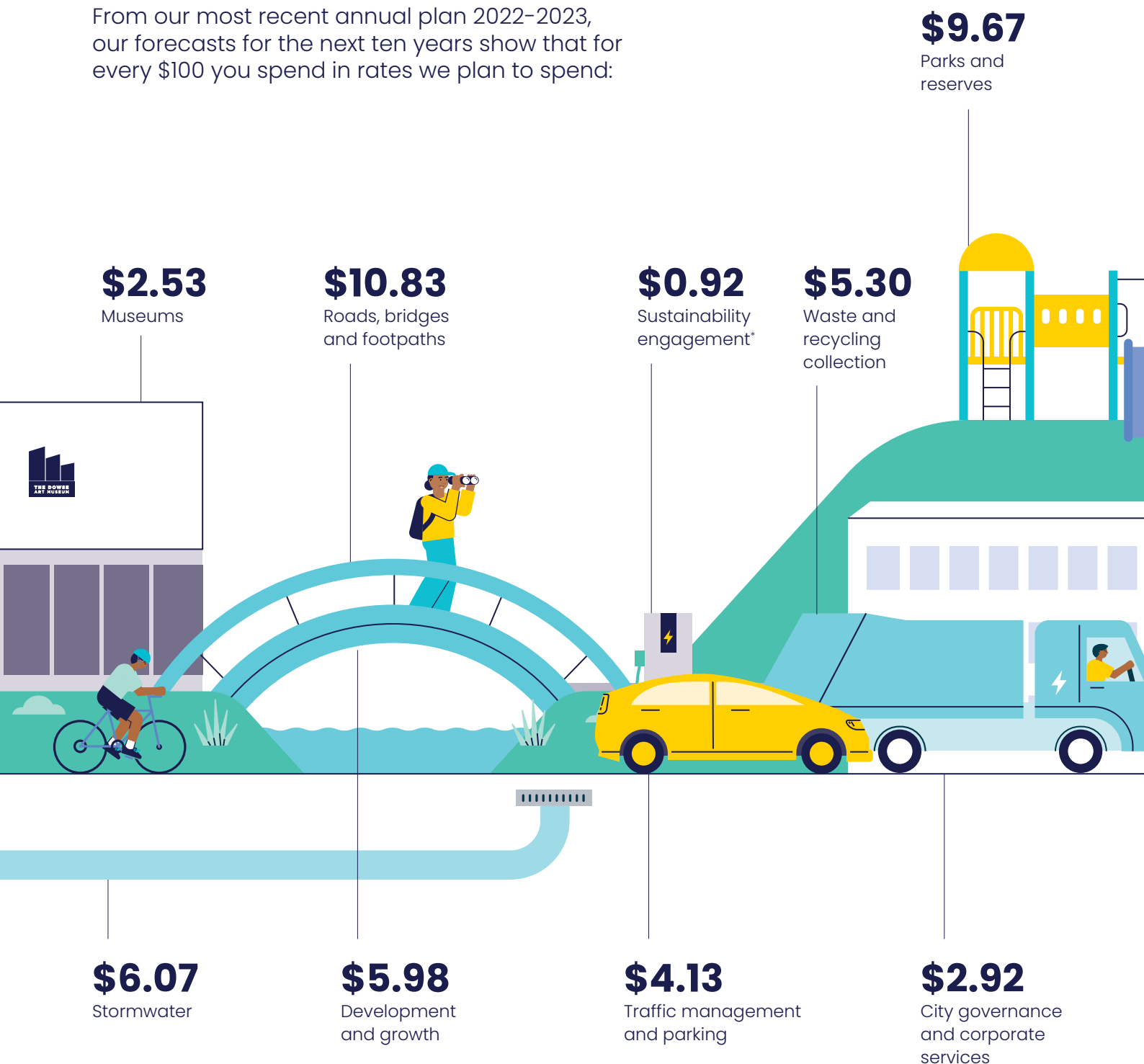
Note: Excludes the change for the implementation of the waste services scheme where households had offsetting savings.



Kei hea haku tāke kaunihera e whakapau ana?

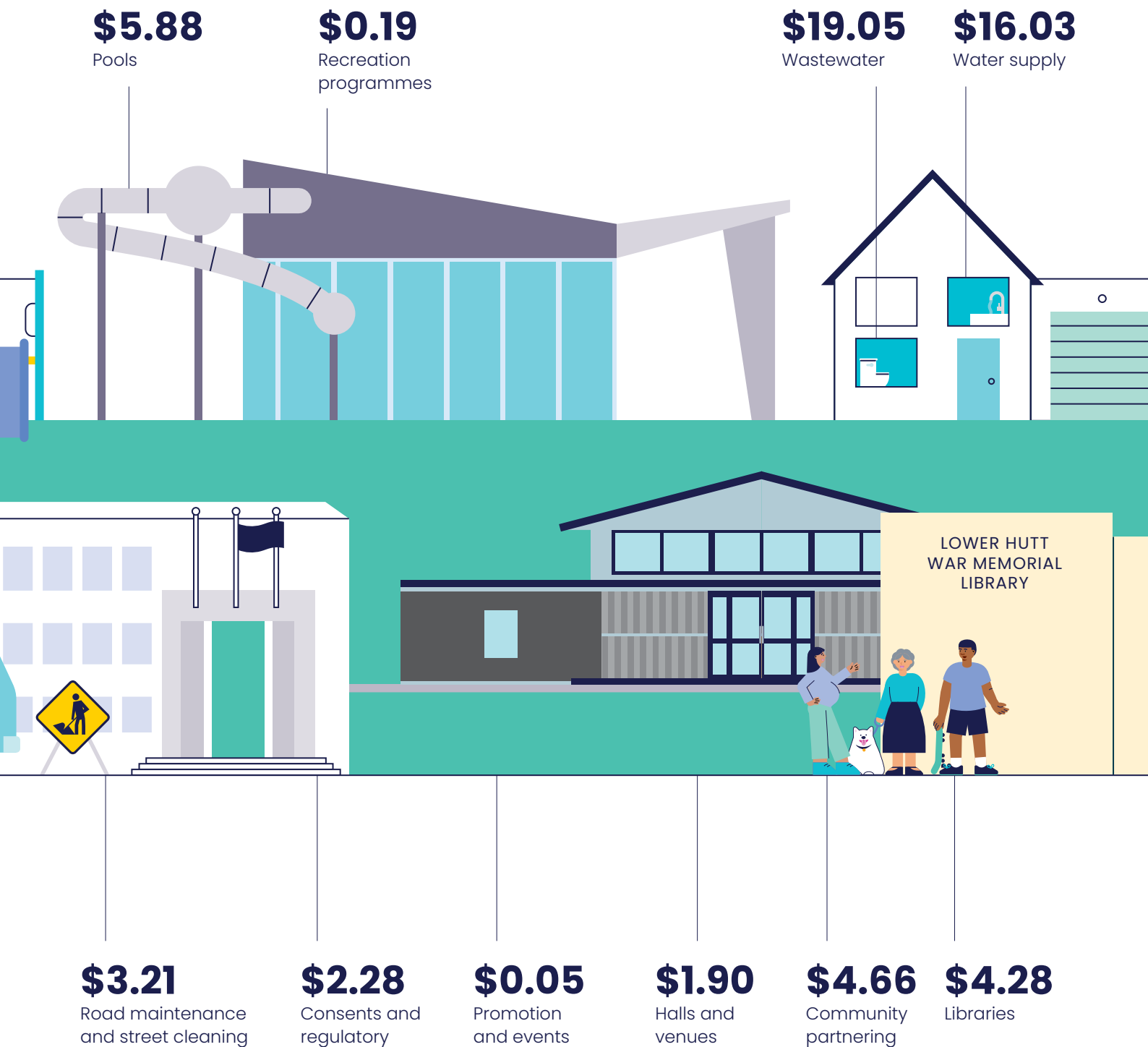
Where are my rates spent?

From our most recent annual plan 2022-2023, our forecasts for the next ten years show that for every \$100 you spend in rates we plan to spend:



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

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



We expect to receive \$5.88 of credit from the landfill. This will help to offset costs and is reflected in the figures for all these other services shown on this page.



2 Tātaritanga Our performance

Whakarāpopoto tātaritanga

Our performance at a glance

Of the 87 Key Performance Indicators (KPIs) set in our 2021-31 Long Term Plan:

32 were achieved

4 were close to achievement

42 did not achieve the targets set

9 measures were in their baseline data collection year or could not be reported on

The impacts of COVID-19 on services, facilities, staffing and contractors were a key contributor to non-achievement of targets. None of our core facilities (hubs and libraries, pools, museums, and community halls) achieved their KPIs this year in terms of visitor numbers. This is due to a number of factors: people now accessing more services online, less programming at our facilities due to COVID-19 restrictions, and continuing reluctance to spend time in shared spaces while there is still illness in the community.

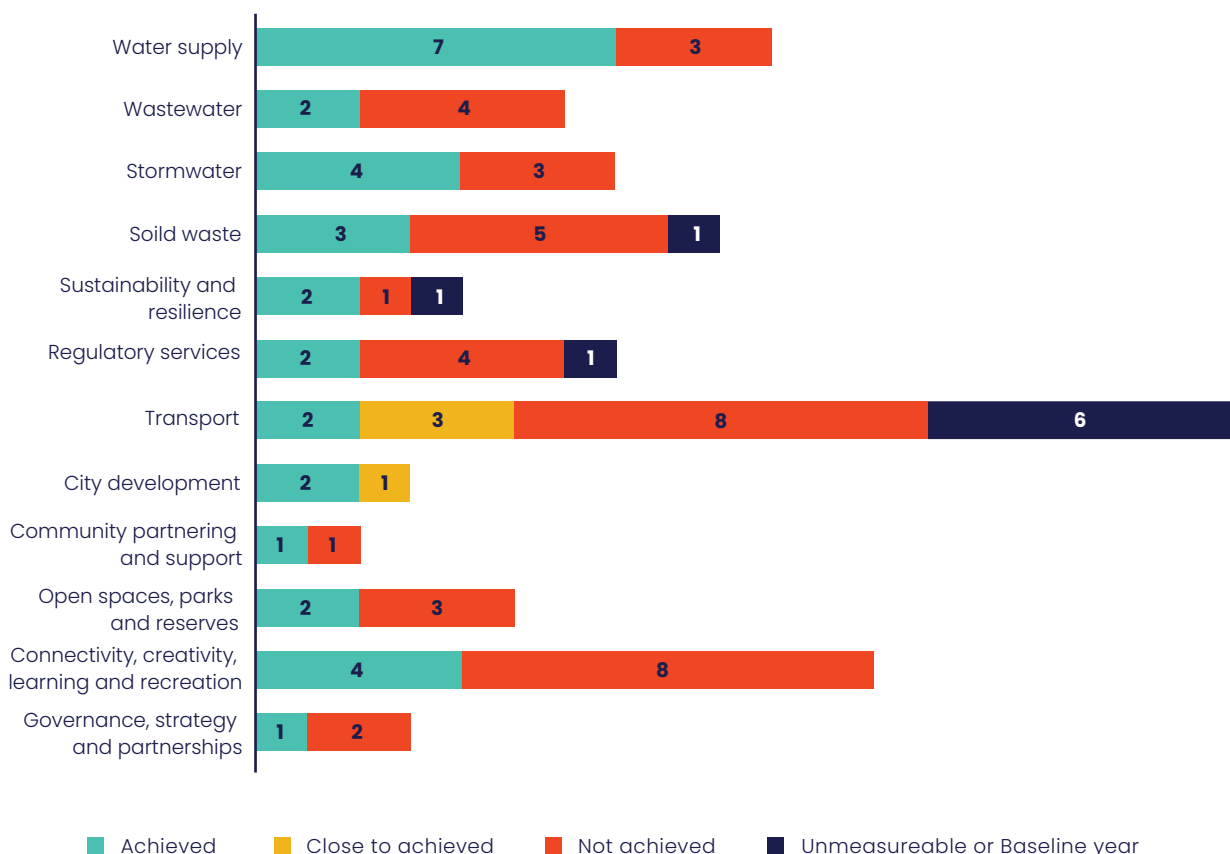
Some KPIs reflect the issues associated with the introduction of rubbish and recycling changes at the start of the year, such as residents' satisfaction with rubbish, recycling and collection services and the amount of contaminated recycling diverted to landfill.

Also, the most recent Resident's Satisfaction Survey results show a general downward trend compared to earlier results from the previous survey provider, which may reflect the impact of COVID-19. The survey methodology is being reviewed.

As of 30 June 2022, 35% of our permanent workforce have contracted COVID-19. Many more staff have been required to isolate due to household contacts having COVID-19 or being a close contact. Contractors have also reported high levels of staff absence due to COVID-19, which has impacted delivery of our capital programme and some services.

Managing COVID-19 is now part of our standard practice, and the impacts are regularly reported to the Audit and Risk Subcommittee and Communities Committee.

KPI measure achievement by activity areas:





Oranga taiao Environmental wellbeing

Ngā puna wai

Water supply

Statement of service performance

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

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

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

Key performance indicators

Water supply

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We want to ensure our community has access to a safe, clean, reliable water supply							
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%	✓	
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%	✓	
Number of complaints for drinking water per 1000 connections ¹	≤ 20	14	13	18	24.3	✗	The network is ageing, and the associated fault volumes are increasing. Ageing water pipes are prone to burst or be in need of repairs.
Resident's satisfaction with the water supply service they receive	≥ 90%	95%	98%	94%	83%	✗	Many respondents noted that they had seen leaks.
Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site	≤ 90 minutes	38 minutes	101 minutes	85 minutes (74-97 mins)	66 minutes	✓	
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	3 hours	8 hours	3 hours (3.27-3.75 hours)	3 hours	✓	

¹ With the recording of complaints (in HCC terminology requests for service) there is concern that HCC does not adequately record multiple requests for the same issue. This matter will be addressed as part of the Go Digital Programme when the Confirm system is replaced, which is expected to occur in 2023. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We want to ensure our community has access to a safe, clean, reliable water supply (cont'd)							
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	77 hours	160 hours	68 hours	92.4 hours	×	Regional increase in response and resolution times as the number of leaks reach levels greater than Wellington Water's capacity. The backlog of jobs has reached record levels, coupled with front line shortages during the peak of COVID-19 waves.
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	4 days	11 days	6 days	3 days	✓	
We need to ensure we have a sustainable water supply for the future							
Average drinking water consumption per resident per day	≤ 385 litres / resident / per day	376 litres	380 litres	379 litres	381 litres	✓	
Percentage of real water loss from networked reticulation system ²	≤ 20%	20%	19%	15% ³	20% ⁴	✓	

2 Although WWL continues to fix leaks at a very high rate, it continues to experience issues with ageing pipes that are prone to bursts and in need of repairs. The number of leaks are reaching levels greater than its capacity, and there are a backlog of works carried over from previous service delivery arrangements. The methodology for measuring water loss changed in the 2021/22 financial year due to the installation of small area monitors (SMA) that enabled better monitoring of water loss by WWL. While WWL applied a DIA methodology for calculating water loss in 2020/21, the confidence interval associated with this calculation was outside an acceptable range and for this reason the reported result was qualified. In 2021/22 WWL also changed the water loss calculation methodology to another option provided by DIA. The issue with measuring water loss has now been resolved by WWL and does not affect the results for the current year.

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

4 There is a 95% confidence interval for this measure of 14-25%. WWL used a new methodology for 2021/22 using a minimum night flows method which includes information from newly installed Small Area Monitors.

Statement of comprehensive revenue and expenses

Water supply

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$'000	2021 \$'000	2021 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
Revenue						
Rates income	-	-	-	-	-	-
User charges	3,268	3,325	3,202	3,625	3,382	(243)
Operating subsidies	-	-	-	-	-	-
Capital grants	-	-	-	1,060	25	(1,035)
Operating grants	-	-	1,728	1,060	3,403	2,343
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	71	175	26	706	570	(136)
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	4	-	-	-
Vested assets	119	116	290	116	727	611
Other revenue	-	-	-	-	-	-
Total revenue	3,458	3,616	5,250	6,568	8,107	1,539
Expenditure						
Employee costs	-	-	-	-	-	-
Operating costs	13,789	15,057	16,766	17,853	19,481	(1,628)
Support costs	507	397	397	421	421	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	591	516	454	773	952	(179)
Depreciation	4,061	4,792	4,213	4,335	4,425	(90)
Total expenditure	18,947	20,762	21,830	23,382	25,279	(1,897)
Deficit before tax	(15,489)	(17,146)	(16,580)	(16,815)	(17,172)	(357)
Total capital expenditure	1,559	5,393	5,181	12,523	5,924	6,599
Rates funding requirement						
Deficit before tax	(15,489)	(17,146)	(16,580)	(16,815)	(17,172)	(357)
Add capital contributions	(71)	(175)	(26)	(1,766)	(595)	1,171
Total rates funding requirement	(15,560)	(17,321)	(16,606)	(18,581)	(17,767)	814
Loan funding requirement						
Capital to meet additional demand	-	-	(155)	(443)	(250)	193
Capital to improve level of service	(521)	(2,311)	(962)	(2,059)	(1,091)	968
Capital to replace existing assets	(1,038)	(3,082)	(4,064)	(10,021)	(4,583)	5,438
Less capital contributions	71	175	26	1,766	595	(1,171)
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	4,061	4,792	4,213	4,335	4,425	90
Total loan funding requirement	2,573	(426)	(942)	(6,422)	(904)	5,518
Total funding requirement	(12,988)	(17,747)	(17,548)	(25,003)	(18,671)	6,332

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Total revenue is higher than budgeted primarily due to Government stimulus grant funding of \$1.3M. A portion of this was received last financial year but recognised in the 2021–22 financial year to align to when the work was undertaken.

Total expenditure is higher than budget primarily due to additional maintenance costs on the ageing network of \$1.6M. The additional costs have been mostly funded in 2021–22 by the Government stimulus grant.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Water supply

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to meet additional demand			
Network Upgrades Growth	54	17	37
Reservoir Upgrades Growth	389	233	156
Capital to improve level of service			
Critical Pipelines Seismic Upgrade	258	438	(180)
Network Upgrade – Water Supply	1,031	328	703
Pump Station Upgrades	57	13	44
Reservoir Upgrades	713	312	401
Capital to replace existing assets			
Distribution Pipe Model Development	162	64	98
Reactive Network Renewals	162	144	18
Reactive Pump Station Renewals	526	240	286
Reactive Reservoir Renewals	81	465	(384)
Control Systems Renewals	48	8	40
Network Renewals Water Supply	9,043	3,662	5,381
Total capital projects	12,523	5,924	6,599

Significant capital variations from Annual Plan

Total capital expenditure is under budget. The most significant variances are a \$5.4M underspend on network renewals and upgrades, primarily due to delays establishing contracts.

There were indirect impacts on capital delivery as a result of COVID-19 due to lockdowns and restrictions, material supply delays and skilled labour shortages.

Waiparu Wastewater

Statement of service performance

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

Key performance indicators

Wastewater

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
It is critical our community is not exposed to any health or environmental risks associated with wastewater, by providing a safe, reliable, quality wastewater network							
Dry weather wastewater overflows per 1000 connections	≤ 20	0.49	0.08	6.25	3.6	✓	
Number of complaints per 1000 connections ¹	≤ 30	22	19	20	20.6	✓	
Resident satisfaction with the wastewater service they receive	≥ 90%	94%	94%	95%	78%	✗	Many respondents noted that they had seen leaks and incidents of flooding.
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times:							
Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site	≤ 90 minutes	37 minutes	86 minutes	73 minutes (68-78 mins)	196 minutes	✗	Increasing work volumes and ongoing resource constraints. Wellington Water continues to manage this by prioritizing resources accordingly, which has impacted response times.
Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault	≤ 8 hours	3 hours	4 hours	6.4 hours (5.04-7.90 hours)	20.3 hours	✗	
Compliance with resource consents for discharges from wastewater system	No enforcement action – 100% compliance	Nil	Nil	2	3	✗	Two unconsented odour discharges at the Seaview Wastewater Treatment Plant, caused by blockages in the dryer conveyor belt, and one unauthorised dry weather discharge of treated effluent to the Waiwhetū Stream.

¹ With the recording of complaints (in HCC terminology requests for service) there is concern that HCC does not adequately record multiple requests for the same issue. This matter will be addressed as part of the Go Digital Programme when the Confirm system is replaced, which is expected to occur in 2023. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.

Statement of comprehensive revenue and expenses

Wastewater

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	1,080	1,057	1,259	1,057	1,321	264
Operating subsidies	2,625	2,113	2,289	2,231	2,553	322
Capital grants	-	-	-	1,060	-	(1,060)
Operating Grants	-	-	650	1,060	2,239	1,179
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	856	2,027	1,344	466	2,650	2,184
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	119	116	480	116	735	619
Other revenue	-	-	-	-	-	-
Total revenue	4,680	5,314	6,022	5,990	9,498	3,508
Expenditure						
Employee costs	-	-	-	-	-	-
Operating costs	12,563	12,204	13,114	15,056	15,814	(758)
Support costs	1,030	858	858	471	471	-
Loss on property sales/disposals	-	-	2	-	-	-
Finance costs	1,206	682	600	1,166	1,436	(270)
Depreciation	7,623	9,117	8,228	9,137	8,867	270
Total expenditure	22,422	22,861	22,803	25,830	26,588	(758)
Deficit before tax	(17,742)	(17,547)	(16,781)	(19,840)	(17,090)	2,750
Total capital expenditure	20,915	18,985	15,327	23,108	21,433	1,675
Rates funding requirement						
Deficit before tax	(17,742)	(17,547)	(16,781)	(19,840)	(17,090)	2,750
Add capital contributions	(856)	(2,027)	(1,344)	(1,526)	(2,650)	(1,124)
Total rates funding requirement	(18,598)	(19,574)	(18,125)	(21,366)	(19,740)	1,626
Loan funding requirement						
Capital to meet additional demand	-	-	(4,800)	(1,210)	(1,603)	(393)
Capital to improve level of service	(15,922)	(13,685)	(2,079)	(4,916)	(5,050)	(134)
Capital to replace existing assets	(4,992)	(5,301)	(8,448)	(16,982)	(14,780)	2,202
Less capital contributions	856	2,027	1,344	1,526	2,650	1,124
Less UHCC capital contributions	5,572	4,602	2,431	3,315	3,810	495
Less asset sales	-	-	-	-	-	-
Less depreciation	7,623	9,117	8,228	9,137	8,867	(270)
Total loan funding requirement	(6,863)	(3,240)	(3,323)	(9,130)	(6,106)	3,024
Total funding requirement	(25,462)	(22,814)	(21,449)	(30,496)	(25,846)	4,650

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Total revenue is higher than budget primarily due to an increase in Development and Financial Contributions received (\$2.2M). This is due to the significant growth occurring in the city, the impact of a new Development and Financial Contributions Policy at the start of the year, and higher than budgeted revenue from vested assets (\$0.6M).

Total expenditure is higher than budget primarily due to additional maintenance costs on the ageing network (\$0.8M), which was mostly funded by Government stimulus grant funding.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Wastewater

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to meet additional demand			
Network Renewals Growth	334	539	(205)
Network Upgrades Growth	227	390	(163)
Trunk Type A Asset Development Growth	32	99	(67)
Trunk DBO Network Cyclic Replacement Growth	492	216	276
Trunk DBO Asset Replacement Fund Growth	2	4	(2)
Trunk Main Outfall Pipeline Overflow Mitigation Growth	124	303	(179)
Wastewater Valley Floor Infrastructure	-	52	(52)
Capital to improve level of service			
Network Upgrades	153	260	(107)
Trunk Type B Asset Development	4,272	4,272	-
Trunk Main Outfall Pipeline Overflow Mitigation	372	271	101
Trunk Type A Asset Development	119	247	(128)
Capital to replace existing assets			
Control Systems Renewals	107	10	97
Trunk DBO Asset Replacement Fund	1,465	3,240	(1,775)
Trunk DBO Network Cyclic Replacement	7,708	3,746	3,962
Trunk Resource Consent Renewals	270	118	152
Wastewater Modelling	-	124	(124)
Network Renewals	6,744	6,993	(249)
Pump Station Upgrades	687	549	138
Total capital projects	23,108	21,433	1,675

Significant capital variations from Annual Plan

Total capital expenditure is under budget primarily due to delays in some significant projects including the Petone Collecting Sewer project. This is partially offset by higher spend on the Barber Grove to Seaview Wastewater Treatment Plant project (which is a multi-year project; the total project is expected to remain within the total budget.)

There were indirect impacts on capital delivery as a result of COVID-19 due to lockdowns and restrictions, material supply delays and skilled labour shortages.

Waiāwhā

Stormwater

Statement of service performance

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

Key performance indicators

Stormwater

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
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%	96%	100%	✓	
We want to ensure our City has a safe, reliable, quality stormwater system							
Number of flooding events (where stormwater enters a habitable floor)	≤ 2	1	1	0	2	✓	
Number of habitable floors affected by flooding events (per 1000 connections)	≤ 0.24	0.08	0.16	0	0.27	✗	Due to a series of heavy rainfall events in July 2021 and June 2022, a total of 11 residential properties were flooded.
Number of complaints about stormwater system performance (per 1000 connections) ¹	≤ 20	11	10	7	14.3	✓	
Median response time to attend a flooding event: measured from the time that the territorial authority receives notification to the time that service personnel reach the site	≤ 480 minutes	52 minutes	1526 minutes	- (no flooding events)	4261 minutes	✗	High calls numbers received during flooding events (600+ calls during the July 2021 event) meant that not everyone could be responded to within the target timeframe. A team was activated to work through many customer requests after each event.
Resident satisfaction with the City's stormwater system	≥ 70%	83%	78%	78%	60%	✗	Many respondents noted that they had seen incidents of leaks and flooding.
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions)	Nil (no enforcement action)	Nil	1	1	0	✓	

¹ With the recording of complaints (in HCC terminology requests for service) there is concern that HCC does not adequately record multiple requests for the same issue. This matter will be addressed as part of the Go Digital Programme when the Confirm system is replaced, which is expected to occur in 2023. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.

Statement of comprehensive revenue and expenses

Stormwater

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	12	12	30	12	29	17
Operating subsidies	9	8	5	8	5	(3)
Capital grants	-	-	-	530	-	(530)
Operating grants	-	-	650	530	1,904	1,374
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	80	250	7	87	349	262
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	119	116	551	116	559	443
Other revenue	-	-	-	-	-	-
Total revenue	220	386	1,242	1,284	2,846	1,562
Expenditure						
Employee costs	-	-	-	-	-	-
Operating costs	3,875	4,230	4,334	5,457	5,418	39
Support costs	373	243	243	979	979	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	436	311	274	409	504	(95)
Depreciation	4,199	4,984	4,431	4,914	4,588	326
Total expenditure	8,884	9,768	9,281	11,759	11,489	270
Deficit before tax	(8,664)	(9,382)	(8,039)	(10,475)	(8,643)	1,832
Total capital expenditure	4,364	6,276	4,383	3,851	1,977	1,874
Rates funding requirement						
Deficit before tax	(8,664)	(9,382)	(8,039)	(10,475)	(8,643)	1,832
Add capital contributions	(80)	(250)	(7)	(617)	(349)	268
Total rates funding requirement	(8,744)	(9,631)	(8,046)	(11,092)	(8,992)	2,100
Loan funding requirement						
Capital to meet additional demand	-	-	(276)	(218)	(135)	83
Capital to improve level of service	(3,874)	(4,668)	(2,621)	(2,414)	(967)	1,447
Capital to replace existing assets	(490)	(1,608)	(1,486)	(1,219)	(875)	344
Less capital contributions	80	250	7	617	349	(268)
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	4,199	4,984	4,431	4,914	4,588	(326)
Total loan funding requirement	(85)	(1,043)	55	1,680	2,960	1,280
Total funding requirement	(8,829)	(10,674)	(7,991)	(9,412)	(6,032)	3,380

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Total revenue is higher than budget primarily due to recognition of Government stimulus grant funding of \$0.8M and higher than budgeted revenue from vested assets of \$0.4M. A portion of the grant was received last financial year but recognised in the 2021–22 financial year to align with when the work was undertaken. Total expenditure is under budget primarily due to reduced depreciation as a result of project delays leading to a delay in asset completion of \$0.3M.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Stormwater

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to meet additional demand			
Beach Stormwater Outlets Growth	36	49	(13)
Network Upgrades Growth	182	86	96
Capital to improve level of service			
Beach Stormwater Outlets	266	227	39
Dowse Drive Stormwater Improvement	-	349	(349)
Network Upgrades	1,850	292	1,558
Stormwater consenting project	297	99	198
Capital to replace existing assets			
Control Systems Renewals	24	6	18
Stormwater Network Modelling	454	214	240
Network Renewals	162	337	(175)
Pump Station Reactive Renewals	580	318	262
Total capital projects	3,851	1,977	1,874

Significant capital variations from Annual Plan

Total capital expenditure is under budget primarily due to project delays as a result of indirect impacts of COVID-19. These were due to lockdowns and restrictions, delays in the supply of materials and skilled labour shortages.



Para Solid waste

Statement of service performance

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

Key performance indicators

Solid waste

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
Number of resource consent-related infringement notices received from Greater Wellington Regional Council	0 notices – 100% compliance	1 notice Received	1	0	0	✓	
We want to reduce litter and the negative impacts it can have on our natural environment and on our community's health							
Number of litter incidents resulting in a complaint	Previous year less 10%	New measure 2021-22	New measure 2021-22	531	405	✓	
We are looking at ways to reduce the amount of waste going to landfill							
Tonnes of waste to landfill (tonnes per person)	Less than previous year	New measure 2021-22	New measure 2021-22	New measure 2021-22	19,735 / 113,559 = 0.17	-	Baseline year.
Percentage of kerbside recycling that is contaminated and diverted to landfill	≤ 10%	New measure 2021-22	New measure 2021-22	11%	18%	✗	Increased recycling leading to increased contamination as new service beds in. Education campaign being planned.
Tonnes of kerbside recycling collected (historic data has been updated to refer to kerbside recycling only)	Previous year plus 2% (4,203)	5,275	4,698	4,121	5,778	✓	
Resident satisfaction with Council's kerbside rubbish collection	≥ 90%	94%	94%	91%	76%	✗	Teething issues with the rubbish and recycling changes, partially driven by COVID-19 impacts on supply chain delivery.
Resident satisfaction with Council's kerbside recycling collection	≥ 90%	87%	81%	78%	75%	✗	
Resident satisfaction with Council's kerbside green waste collection	≥ 90%	New measure 2021-22	New measure 2021-22	New measure 2021-22	59%	✗	
Overall resident satisfaction with Council's waste collection services	≥ 85%	91%	88%	88%	73%	✗	

Statement of comprehensive revenue and expenses

Solid waste

For the year ended 30 June	2018-28					
	LTP					
	(Year 3)	Budget	Actual	Budget	Actual	Bud v Act Variance
	2021	2021	2021	2022	2022	2022
	\$000	\$000	\$000	\$000	\$000	\$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	14,562	15,155	19,344	19,888	20,509	621
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	(12)	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	526	5	(13)	-	1,412	1,412
Total revenue	15,089	15,160	19,319	19,888	21,921	2,033
Expenditure						
Employee costs	-	69	113	381	207	174
Operating costs	7,528	8,839	13,223	18,364	21,950	(3,586)
Support costs	333	368	368	804	804	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	477	656	594	512	567	(55)
Depreciation	1,119	1,051	1,175	1,647	1,596	51
Total expenditure	9,457	10,982	15,474	21,708	25,124	(3,416)
Deficit before tax	5,632	4,178	3,845	(1,820)	(3,203)	(1,383)
Total capital expenditure	4,042	4,404	8,083	2,535	3,111	576
Rates funding requirement						
Deficit before tax	5,632	4,178	3,845	(1,820)	(3,203)	(1,383)
Add capital contributions	-	-	-	-	-	-
Rate funded debt repayment	(5,632)	(2,841)	(2,488)	(7,858)	(6,437)	1,421
Total rates funding requirement	-	1,337	1,357	(9,678)	(9,640)	38
Loan funding requirement						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(4,042)	(4,404)	(8,083)	(2,535)	(3,111)	(576)
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,119	1,051	1,175	1,647	1,596	51
Less rate funded debt repayment	5,632	2,841	2,488	7,858	6,437	(1,421)
Total loan funding requirement	2,709	(513)	(4,419)	6,970	4,922	(1,946)
Total funding requirement	2,709	824	(3,062)	(2,708)	(4,718)	(1,908)

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Total revenue is \$2M higher than budget, primarily due to higher volumes at the Silverstream landfill (\$0.6M) and a recognition of the increase in value of carbon credits held of \$1.4M.

Total expenditure is over budget primarily due to additional aftercare provision for Silverstream Landfill of \$1.8M. This reflects higher expected aftercare costs in future years, the earlier-than-expected closure of the Silverstream Landfill Stage 2 site (shortened by three years), and an increase in the value of carbon credits submitted to cover landfill emissions (\$1.2M).

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Solid waste

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to improve level of service			
Cleanfill Site Development	5	(9)	14
Silverstream Landfill Development	1,730	2,094	(364)
Silverstream Landfill Asbestos Cell	100	-	100
Silverstream Landfill Transfer Station	700	1,026	(326)
Total capital projects	2,535	3,111	(576)

Significant capital variations from Annual Plan

Total capital expenditure is over budget (\$0.6M) due to rephasing of work related to the Silverstream Landfill Stage 2 and Transfer Station projects. This resulted in \$0.7M being carried forward from the 2020/21 financial year.

There was no direct material direct impact on capital as a result of COVID-19.

Toitūtanga

Sustainability and resilience

Statement of service performance

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

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

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

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

Key performance indicators

Sustainability and resilience

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
Council is responding to the impact of climate change and contributing to the goal of a carbon zero city by 2050							
Emissions from Council owned facilities (tCO ₂ -e) ¹ <i>Note: Emission factors are subject to change. The factors are appropriate at the time of reporting. This report includes emissions associated with all invoiced energy consumption.</i>	30% reduction from 21/22 by 2024	3,240	3,270	3,450	3,190 (New measure 2021-22)	-	Baseline year (historic data provided for comparative information).
Percentage of Council owned vehicle fleet that is electric	25%	2%	17%	21%	42%	✓	
Emissions from Council owned fossil fuel vehicles (tCO ₂ -e) ¹	20% reduction in 21/22	255	218	170	110 (New measure 2021-22)	✓	Baseline year (historic data provided for comparative information).
Our city is prepared for an emergency and can respond appropriately							
Percentage of Community Resilience Plans that are more than 24 months old	0%	New measure 2021-22	New measure 2021-22	0%	60%	✗	Working through backlog of outdated plans, staff member on secondment for 5 months (part of Q2 and all of Q3).

¹ Quantifying greenhouse gas (GHG) emissions is subject to inherent uncertainty because the scientific knowledge and methodologies to determine the emissions factors and processes to calculate or estimate quantities of GHG emissions are still evolving, as are GHG reporting and assurance standards.

Statement of comprehensive revenue and expenses

Sustainability and resilience

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	-	-	-	75	-	(75)
Operating subsidies	-	-	-	-	-	-
Capital grants	-	-	-	-	149	149
Operating grants	-	53	-	150	99	(51)
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	428	415	451	670	618	(52)
Total revenue	428	468	451	895	866	(29)
Expenditure						
Employee costs	278	330	475	346	509	(163)
Operating costs	1,149	1,463	1,777	1,638	1,654	(16)
Support costs	154	352	352	498	498	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	1	6	5	6	7	(1)
Depreciation	2	33	5	15	13	2
Total expenditure	1,585	2,185	2,615	2,502	2,681	(179)
Deficit before tax	(1,156)	(1,717)	(2,164)	(1,607)	(1,815)	(208)
Total capital expenditure	-	360	-	370	561	(191)
Rates funding requirement						
Deficit before tax	(1,156)	(1,717)	(2,164)	(1,607)	(1,815)	(208)
Add capital contributions	-	-	-	-	(149)	(149)
Total rates funding requirement	(1,156)	(1,717)	(2,164)	(1,607)	(1,964)	(357)
Loan funding requirement						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	-	(250)	-	(370)	(492)	(122)
Capital to replace existing assets	-	(110)	-	-	(69)	(69)
Less capital contributions	-	-	-	-	149	149
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	2	33	5	15	13	(2)
Total loan funding requirement	2	(327)	5	(355)	(399)	(44)
Total funding requirement	(1,154)	(2,044)	(2,158)	(1,962)	(2,363)	(401)

Operating projects

Sustainability and resilience

Project	Budget	Actual	Bud v Act Variance
	2022	2022	2022
	\$000	\$000	\$000
Waste Minimisation Projects	510	439	71
Climate Change Community Engagements	300	422	(122)
Total operating projects	810	861	(51)

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Significant operating variations from Annual Plan

Total revenue is under budget primarily due to a lack of user charges due to the delayed electric vehicle charge station project (which was offset by related capital grants received), as well as a reduction in Government levies received.

Total expenditure is over budget primarily due to increased employee costs as a result of market rate increases affecting salaries.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Sustainability and resilience

Project	Budget	Actual	Bud v Act Variance
	2022	2022	2022
	\$000	\$000	\$000
Capital to improve level of service			
Electric Vehicle Charge Stations	370	492	(122)
Capital to replace existing assets			
Generators – Backup Power Supply	-	69	(69)
Total Capital projects	370	561	(191)

Significant capital variations from Annual Plan

Total capital expenditure is over budget primarily due to cost overruns in the electrical infrastructure required to support the installation of electric vehicle charging stations. This has been funded from underspend in the Hutt City Council vehicle fleet, budgeted under Corporate Services. Emergency generators were purchased using budget carried over from the 2020/21 financial year.

There was no direct material impact on capital as a result of COVID-19.



Ratonga whakariterite

Regulatory services

Statement of service performance

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

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

Environmental health activities contribute to safeguarding the community from foodborne illness, alcohol-related harm and potential health-related harm from the appearance industry (e.g. tattoos, beauty therapy). They inspect a range of premises for cleanliness and hygienic practices and also cover a wide variety of work related to health nuisances and noise.

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

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

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

Key performance indicators

Regulatory services

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
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 days	- ¹	- ¹	- ¹	65% ¹	×	Resourcing issues (including impact of COVID-19 on staff) and training new staff.
Code of compliance certificates issued within the statutory timeframe	100% within 20 days	100%	88%	88%	88%	×	
Percentage of non-notified resource consents processed within statutory timeframes	100% within 20 days	- ²	- ²	- ²	28% ²	×	Large increase in applications and in their complexity, combined with team vacancies.
We want a community where everyone feels safe							
Existing food premises verified within time frames	95% by due date	6%	79%	100%	7% (As at 30 June 2022 61% of existing food verifications were completed)	×	COVID-19 impact on verifications, staffing issues and competing workloads limited onsite inspections, resulting in a backlog which will take some months to clear.
Sale and supply of liquor (high risk premises) inspected	95% checked	98%	87%	99%	99%	✓	
Noise control (excessive noise) complaints (%) investigated within 45 minutes	≥ 85%	86%	69%	83%	94%	✓	
Number of animal management community education programmes carried out ³	≥ previous year	Not available	Not available	New measure 2021-22	17	-	Baseline year impacted by COVID-19 in ability to run programmes.

- 1 We received an unusually high number of consent applications for 2021-22. We also experienced staffing constraints to process these. Throughout 2021-22, a number of processes improvements that directly affected the statutory timeclock were done with a forward focussed approach, i.e. the improvements were not backdated. Therefore, a restatement was performed to ensure a consistent and accurate approach was applied across the full fiscal year. Comparatives are not disclosed as a restatement exercise was not performed for previous years.
- 2 An unusually high number and complex consenting applications were received in 2021-22. We also experienced staffing constraints. We have identified processing issues and as such, recalculated and restated the 2021-22 result. Comparatives are not disclosed as recalculations for these figures were not performed.
- 3 This measure replaces "Percentage of dog attacks responded to within 30 minutes".

Statement of comprehensive revenue and expenses

Regulatory services

For the year ended 30 June	2018-28 LTP (Year 3)						Bud v Act Variance
	Budget	Actual	Budget	Actual	Budget	Actual	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000	
Revenue							
Rates income	-	-	-	-	-	-	-
User charges	5,796	7,652	8,353	8,716	8,497	8,497	(219)
Operating subsidies	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Dividends	-	-	0	-	-	-	-
Gain on property sales/disposals	-	-	-	-	12	12	12
Vested assets	-	-	-	-	-	-	-
Other revenue	1,180	1,172	1,180	1,175	1,120	1,120	(55)
Total revenue	6,976	8,824	9,533	9,891	9,629	9,629	(262)
Expenditure							
Employee costs	6,361	6,202	6,812	6,743	6,982	6,982	(239)
Operating costs	1,665	1,867	2,269	1,861	4,148	4,148	(2,287)
Support costs	2,827	3,846	3,847	3,381	3,381	3,381	-
Loss on property sales/disposals	-	-	(5)	-	-	-	-
Finance costs	9	8	7	9	11	11	(2)
Depreciation	62	44	61	100	102	102	(2)
Total expenditure	10,923	11,967	12,991	12,094	14,624	14,624	(2,530)
Deficit before tax	(3,948)	(3,143)	(3,458)	(2,203)	(4,995)	(4,995)	(2,792)
Total capital expenditure	-	559	548	-	15	15	(15)
Rates funding requirement							
Deficit before tax	(3,948)	(3,143)	(3,458)	(2,203)	(4,995)	(4,995)	(2,792)
Add capital contributions	-	-	-	-	-	-	-
Total rates funding requirement	(3,948)	(3,143)	(3,458)	(2,203)	(4,995)	(4,995)	(2,792)
Loan funding requirement							
Capital to meet additional demand	-	-	-	-	-	-	-
Capital to improve level of service	-	(559)	(548)	-	(15)	(15)	(15)
Capital to replace existing assets	-	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-	-
Less depreciation	62	44	61	100	102	102	2
Total loan funding requirement	62	(515)	(487)	100	87	87	(13)
Total funding requirement	(3,886)	(3,658)	(3,945)	(2,103)	(4,908)	(4,908)	(2,805)

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Total revenue is under budget primarily due to less demand for public health and animal control activities as a result of community restrictions related to COVID-19.

Total expenditure is over budget primarily due to higher specialist service costs of \$2M to process the large number of consent applications received, to support resourcing challenges partly as a result of COVID-19 and to assist with accreditation.

Capital projects

Regulatory services

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to improve level of service			
Dog Park	-	15	(15)

Significant capital variations from Annual Plan

Total capital expenditure is slightly over budget due to final costs in the 2020/21 construction of the dog park incurred in the 2021/22 financial year.

There was no direct material impact on capital as a result of COVID-19.

Oranga ōhanga

Economic wellbeing

Ngā waka Transport

Statement of service performance

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

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

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

Key performance indicators

Transport

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We need to be able to travel along key routes efficiently							
Travel time on key routes (High Street, Petone-Seaview, Petone-Woburn, State Highway 2, Petone-Kelson, Harcourt Werry Drive and Cambridge Terrace)	Average travel time is within 10% of the expected average travel time	New measure 2021-22	New measure 2021-22	New measure 2021-22	Baseline year: - High St/Hutt Rd 21.1 mins Seaview Rd/The Esplanade 7.8 mins State Highway 2 (Haywards to Ngauranga) 14.6 mins Harcourt Werry Dr 5.4 mins Cambridge Tce/Eastern Hutt Rd 11.9 min Wainuiomata Rd (Fitzherbert-Randwick) 8.2 mins		
Travel time reliability (Buffer time index)	≤ 20%	New measure 2021-22	New measure 2021-22	New measure 2021-22	22%	~	Travel time reliability for 2021/22 was slightly longer than expected due to vehicles on the roads returning to pre-COVID-19 levels.
Our transport system is safe to travel on							
Road condition index which measures the condition of the road surface (a lower number indicates a better rating)	Hold or improve rating	1.6	3.2	2.9	3.0	~	
The average quality of ride on a sealed local road network, measured by smooth travel exposure	Hold or improve rating	81%	81%	79%	78%	~	COVID-19 impacts on ability to do usual levels of road maintenance.
Percentage of sealed local road network that is resurfaced annually	≥ 4%	4.7%	3.5%	4.3%	3.2%	×	

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	

Our transport system is safe to travel on (cont'd)

Percentage of footpaths that fall within the service standard for footpath condition	≥ 98%	99%	98%	91%	91%	×	The decreased footpath standard stems from increased storm events over the last two years which have damaged a number of footpaths around the city. Work is underway to fix the damage caused by the storms.
Percentage of customer service requests relating to roads and footpaths that are responded to within the timeframe (48 hours)	≥ 94%	97%	95%	90%	87%	×	Recent staff turnover caused a lack of capacity to respond to operational issues.
Resident satisfaction with the footpath condition	≥ 80%	83%	83%	78%	37%	×	Residents noted the uneven condition of footpaths and wanted more maintenance.
Resident satisfaction with the condition of their local road	≥ 80%	92%	91%	86%	42%	×	Issues raised around the quality and maintenance of the roads.
The number of fatalities and serious injury crashes on the local road network (historic data updated to exclude minor crashes)	Previous year less 1%	25	21	20	25	×	Variable annual numbers, coming out of a previous decline trend.
Road risk rating – percentage that have a high collective / high personal rating	< 5%	New measure 2021-22	New measure 2021-22	New measure 2021-22	Data unavailable	-	To review methodology for this indicator.

Infrastructure contracts managed by Council contribute to social outcomes

Audit of contracts – percentage of contracts audited	≥ 90%	New measure 2021-22	New measure 2021-22	New measure 2021-22	90%	✓	
Audit of contracts – percentage of contracts meeting contractual obligations	≥ 90%	New measure 2021-22	New measure 2021-22	New measure 2021-22	90%	✓	

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We are working to strengthen our active transport network							
Total length of cycleways	Length of proposed and budgeted cycleway built for year	Not available	Not available	Not available	Not available	-	Baseline measurement work identified further technical work required to develop these indicators and these measures have been updated in the 2022/23 Annual Plan to be total length with targets to maintain or increase these.
Total length of shared paths	Length of proposed and budgeted shared path built for year	Not available	Not available	Not available	Not available	-	At the end of 2021/22 the Lower Hutt Cycle Route was 115.63km, comprising 52.88km with cycle facilities and 62.75km of mixed traffic. The cycle facilities comprised 11.84km of cycle lanes, 36.04km of shared paths and 5km of separated cycle paths, but does not include cycle track in reserve or regional parks, nor the Moera and Gracefield bike tracks.
Resident satisfaction with on road cycleway condition	≥ 80%	New measure 2021-22	New measure 2021-22	64%	20%	×	Perceptions of danger, car-centric city.
Resident satisfaction with shared path condition	≥ 80%	New measure 2021-22	New measure 2021-22	New measure 2021-22	43%	×	Perceptions of danger, car-centric city.
Our parking enables access to services and businesses							
Percentage of (parking) safety issues that are responded to within 30 minutes	> 90%	Not available	Not available	Not available	Not available	-	Not possible to extract the data as first responded date not captured in Confirm system.
Resident satisfaction with the availability of car parking to access services and facilities (does not include access to residences)	≥ 75%	Not available	Not available	Not available	Not available	-	Question accidentally missed in this year's Resident Satisfaction Survey.

Statement of comprehensive revenue and expenses

Transport

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$'000	2021 \$'000	2021 \$'000	2022 \$'000	2022 \$'000	2022 \$'000
Revenue						
Rates income	-	-	-	-	-	-
User charges	5,438	4,146	5,500	4,826	4,894	68
Operating subsidies	4,086	4,309	4,675	4,526	4,350	(176)
Capital grants	-	-	-	2,500	1,296	(1,204)
Operating grants	-	-	-	-	-	-
Capital subsidies	9,011	9,377	10,603	8,260	3,979	(4,281)
Development and financial contributions	99	350	1	243	518	275
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	521	510	734	510	1,421	911
Other revenue	488	477	487	516	578	63
Total revenue	19,643	19,169	22,000	21,381	17,036	(4,345)
Expenditure						
Employee costs	2,440	2,559	2,592	2,305	2,431	(126)
Operating costs	12,469	13,196	11,972	12,431	12,671	(240)
Support costs	2,064	2,540	2,540	3,104	3,104	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	2,064	1,395	1,227	900	1,109	(209)
Depreciation	11,982	14,309	14,571	16,693	15,676	1,017
Total expenditure	31,018	33,999	32,904	35,433	34,991	442
Deficit before tax	(11,375)	(14,831)	(10,903)	(14,052)	(17,955)	(3,903)
Total capital expenditure	19,558	19,726	19,813	18,859	10,592	8,267
Rates funding requirement						
Deficit before tax	(11,375)	(14,831)	(10,903)	(14,052)	(17,955)	(3,903)
Add capital contributions	(9,110)	(9,727)	(10,604)	(11,004)	(5,793)	5,211
Total rates funding requirement	(20,485)	(24,558)	(21,508)	(25,055)	(23,748)	1,307
Loan funding requirement						
Capital to meet additional demand	(3,647)	(613)	(336)	(267)	(157)	110
Capital to improve level of service	(8,396)	(10,443)	(12,959)	(9,932)	(4,263)	5,669
Capital to replace existing assets	(7,515)	(8,671)	(6,518)	(8,660)	(6,172)	2,488
Less capital contributions	9,110	9,727	10,604	11,004	5,793	(5,211)
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	11,982	14,309	14,571	16,693	15,676	(1,017)
Total loan funding requirement	1,533	4,310	5,362	8,838	10,877	2,039
Total funding requirement	(18,951)	(20,248)	(16,145)	(16,217)	(12,871)	3,346

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

Transport

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Rapid Response Anti-Graffiti Service	214	236	(22)

Significant operating variations from Annual Plan

Total revenue is under budget \$4.3M primarily due to a deferral in capital subsidies and grants related to capital work programmes that were delayed due to COVID-19 and resourcing constraints. This was offset by increased vested asset income from new subdivisions. The capital and related revenue budgets have been carried over.

Total expenditure is under budget by \$0.4M primarily due to lower-than-planned depreciation recognised as a result of the delayed capital work programs. This is offset by increased employee and operational contracts costs as a consequence of industry and market conditions.

Capital projects

Transport

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to meet additional demand			
Cross Valley Transport Connections – Growth	50	16	34
Cycleway/Shared Path Beltway Growth	10	11	(1)
Cycling Micromobility Programme Growth	195	117	78
Local Area Traffic Management Growth	2	3	(1)
Minor Safety Works Growth	1	1	0
Pedestrian Crossing New Growth	1	1	-
Traffic Safety Improvements Growth	8	8	-
Capital to improve level of service			
Broadband Ducting	21	-	21
Cross Valley Transport Connections	251	70	181
Cycleway/Shared Path Beltway	510	565	(55)
Cycling Micromobility Programme	3,055	130	2,925
Tupua Horo Nuku (Eastern Bays Shared Path)	5,000	2,610	2,390
Local Area Traffic Management	98	121	(23)
Land Purchase For Roads (no subsidy)	10	23	(13)
Pedestrian Crossings – New	26	24	2
Reconstruction Improvements (no subsidy)	80	-	80
Streets for people Program- Micromobility	-	60	(60)
Substandard Roads Upgrade	440	306	134
School Speed Zone Programme	60	37	23
Traffic Safety Improvements	332	317	15
Wheelchair-Friendly Footpath Routes	50	-	50

Project	Budget	Actual	Bud v Act Variance
	2022	2022	2022
	\$000	\$000	\$000
Capital to replace existing assets			
Area Wide Pavement Treatment	3,075	1,554	1,521
Carpark Resurfacing (no subsidy)	51	-	51
Footpath Resurfacing And Replacement	405	235	170
Pavement Surfacing	3,000	2,840	160
Minor Safety Works	50	47	3
Minor Road And Footpath Construction	74	73	1
Pedestrian Crossing Renewal	31	-	31
Road Reconstruction	300	280	20
Streetlight Lantern Replacement Programme	200	657	(457)
Streetlight Standard Replacement	250	250	(0)
Traffic Signal Replacement	170	150	20
Wainuiomata Hill Rd Safety Seal	1,054	86	968
Total Capital projects	18,859	10,592	8,267

Significant capital variations from Annual Plan

Total capital expenditure is under budget \$8.3M primarily because of delays in projects due to resourcing constraints, supply issues with imported materials and availability of contractors to carry out the work (partly due to COVID-19). Notable underspent projects are the Cycling Micromobility Programme, Tupua Horo Nuku (Eastern Bays Shared Path), Area Wide Pavement Treatment and Wainuiomata Hill Rd Safety Seal. Underspent budgets have been carried over to future financial years for funding of these projects.

Whanake tāone

City development

Statement of service performance

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

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

Key performance indicators

City development

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We are working to help people facing homelessness and housing hardship							
Number of Te Awa Kairangi Lower Hutt households assisted into more settled accommodation	50	New measure 2021-22	New measure 2021-22	New measure 2021-22	92	✓	
Number of households provided with legal housing advice and advocacy	80	New measure 2021-22	New measure 2021-22	New measure 2021-22	127	✓	
Number of households assisted by the homelessness prevention programme	80	New measure 2021-22	New measure 2021-22	New measure 2021-22	75	~	The 2021/22 target was from a three-year performance measure from when the contracts for this work were set up. The slight shortfall in meeting this year's target is due to the annual figure being extracted from this, and of the Provider working in a context of increasing complexity and need. We are reviewing these targets for providers in the next six months.

Statement of comprehensive revenue and expenses

City development

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	84	314	288	289	281	(8)
Operating subsidies	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	765	-	(765)
Development and financial contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	156	65	170	65	203	138
Total revenue	240	379	458	1,119	484	(635)
Expenditure						
Employee costs	1,344	1,120	1,136	2,213	1,953	260
Operating costs	1,925	7,871	6,101	10,049	5,998	4,051
Support costs	801	1,181	1,181	2,011	2,011	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	1,952	324	285	302	372	(70)
Depreciation	3,707	842	-	-	12	(12)
Total expenditure	9,728	11,338	8,704	14,575	10,346	4,229
Deficit before tax	(9,488)	(10,959)	(8,246)	(13,456)	(9,862)	3,594
Total capital expenditure	6,608	7,251	3,077	8,705	7,557	1,148
Rates funding requirement						
Deficit before tax	(9,488)	(10,959)	(8,246)	(13,456)	(9,862)	3,594
Add capital contributions	-	-	-	(765)	-	765
Total rates funding requirement	(9,488)	(10,959)	(8,246)	(14,221)	(9,862)	4,359
Loan funding requirement						
Capital to meet additional demand	(3,168)	(1,450)	(381)	(1,200)	(753)	447
Capital to improve level of service	(3,440)	(5,801)	(2,696)	(7,505)	(6,804)	701
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	765	-	(765)
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	3,707	842	-	-	12	12
Total loan funding requirement	(2,901)	(6,409)	(3,077)	(7,940)	(7,545)	395
Total funding requirement	(12,389)	(17,368)	(11,323)	(22,161)	(17,407)	4,754

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

City development

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Urban Precinct Placemaking	320	30	290
Development Stimulus Package	6,282	3,300	2,982
Urban Growth – Wellington Regional Growth Framework	250	105	145
Total operating projects	6,852	3,435	3,417

Significant operating variations from Annual Plan

Total revenue is under budget \$0.6M, primarily because of the delay in the approval of the Riverlink capital subsidy agreement, offset by recovery of costs for District Plan changes.

Total expenditure is under budget \$4.2M, primarily due to an underspend on the Development Stimulus Package. This is as a result of delays to developments due to COVID-19 and shortages of materials, for which the budget has been largely carried over to the 2022-23 financial year. Additional cost reductions came from delays to the District Plan review as a result of legislative changes and recruitment delays.

Capital projects

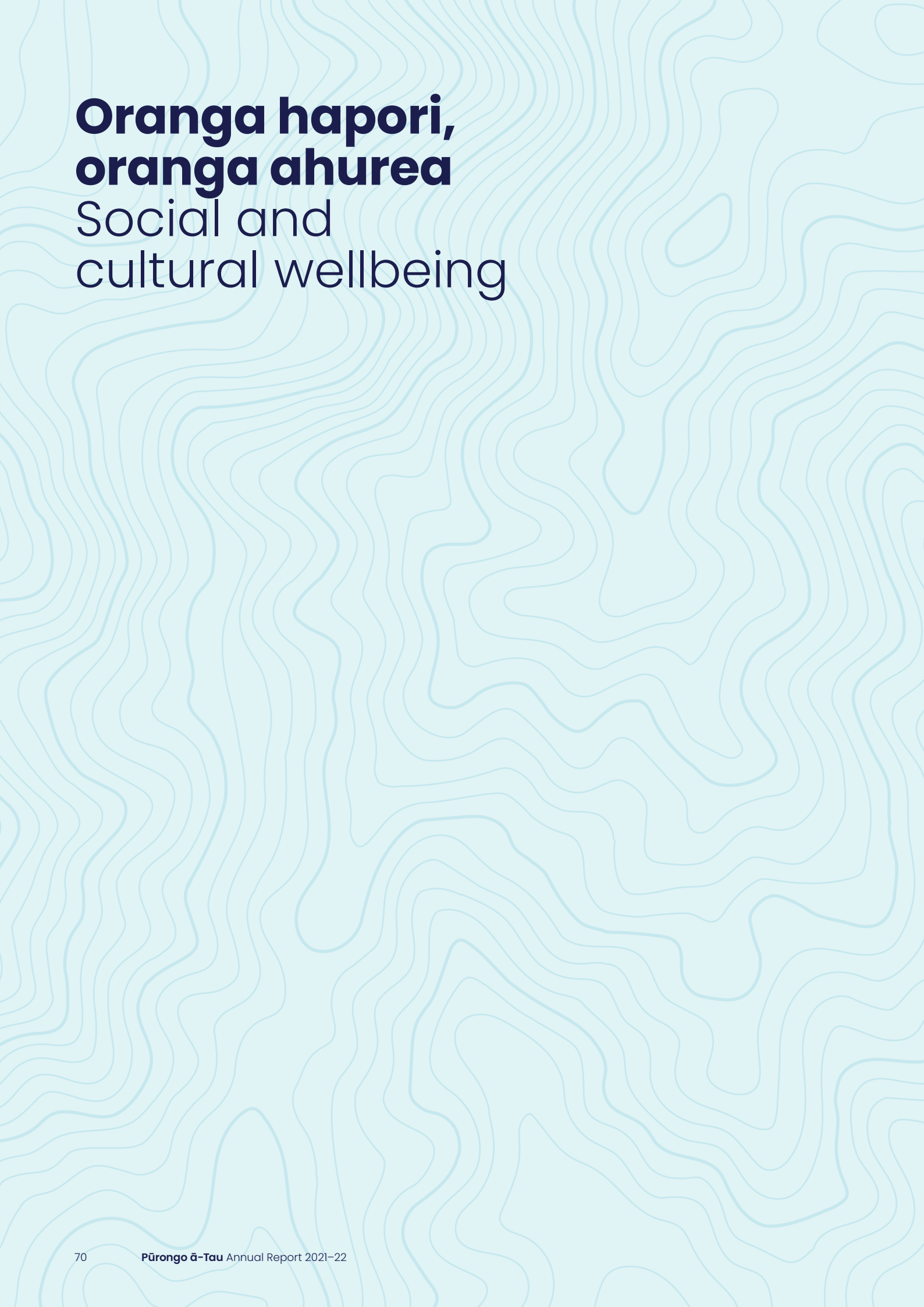
City development

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to meet additional demand			
Urban Growth Strategy Improvements	1,200	753	447
Capital to improve level of service			
RiverLink – Replacement riverbank car parking	200	79	121
RiverLink – East Access Route	750	808	(58)
Naenae Town Centre Improvements	1,000	855	145
Petone 2040	200	-	200
RiverLink – Promenade & Urban Improvements	1,065	2,211	(1,146)
RiverLink Footbridge	750	791	(41)
Riverlink – Strategic Property Purchases	500	139	361
Wainuiomata Queen Street Development	3,040	1,921	1,119
Total capital projects	8,705	7,557	1,148

Significant capital variations from Annual Plan

Total capital expenditure is under budget \$1.2M, primarily due to delays in the Urban Growth Strategy Improvements – Wise Street extension project, which has been held up due to additional consents required from Greater Wellington Regional Council, as well as the Wainuiomata Queen Street Development due to material shipping delays from overseas as a result of COVID-19 restrictions. These are both expected to be finalised in the 2022-23 financial year. The underspend is offset by the Riverlink project overspend due to achievement of early delivery of parts of the project.





Oranga hāpori, oranga ahurea

Social and
cultural wellbeing

Rangapū me te ratonga hapori

Community partnering and support

Statement of service performance

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

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

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

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

Key performance indicators

Community partnering and support

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We provide safe spaces for social, leisure and educational activities							
Number of hubs who met visitor number targets	3 of 3	2 of 3	1 of 3	0 of 3	0 of 3	×	Due to COVID-19 numbers are down in all spaces. Fewer people were going out.
Resident satisfaction with hubs	≥ 80%	95% (Unweighted average over 3 hubs)	97% (Unweighted average over 3 hubs)	98% (Unweighted average over 3 hubs)	83%	✓	

Statement of comprehensive revenue and expenses

Community partnering and support

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	822	446	533	438	391	(47)
Operating subsidies	50	28	1	-	-	-
Operating grants	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	(2)	(2)
Vested assets	-	-	-	-	-	-
Other revenue	833	1,202	1,031	1,240	732	(508)
Total revenue	1,705	1,675	1,564	1,677	1,121	(556)
Expenditure						
Employee costs	4,050	3,794	3,524	3,763	3,185	578
Operating costs	3,869	5,294	4,027	4,669	3,849	820
Support costs	792	1,168	1,169	1,552	1,552	-
Loss on property sales/disposals	-	-	35	-	-	-
Finance costs	847	751	661	50	62	(12)
Depreciation	1,178	833	863	1,648	1,364	284
Total expenditure	10,735	11,839	10,279	11,682	10,012	1,670
Deficit before tax	(9,030)	(10,164)	(8,715)	(10,004)	(8,891)	1,113
Total capital expenditure	1,367	1,733	375	1,109	572	537
Rates funding requirement						
Deficit before tax	(9,030)	(10,164)	(8,715)	(10,004)	(8,891)	1,113
Add capital contributions	-	-	-	-	-	-
Total rates funding requirement	(9,030)	(10,164)	(8,715)	(10,004)	(8,891)	1,113
Loan funding requirement						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(1,003)	(1,392)	(280)	(280)	(147)	133
Capital to replace existing assets	(364)	(341)	(95)	(830)	(425)	405
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,178	833	863	1,648	1,364	(284)
Total loan funding requirement	(189)	(901)	488	538	792	254
Total funding requirement	(9,219)	(11,065)	(8,226)	(9,466)	(8,099)	1,367

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

Community partnering and support

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Marae Funding	200	200	-
Safety Initiatives	484	344	140
Homelessness Strategy	570	588	(18)
Community Resilience	300	110	190
Mauri Ora Fund	713	958	(245)
Total operating projects	2,267	2,200	67

Significant operating variations from Annual Plan

Total revenue is under budget primarily due to delayed recognition of government funding while community programmes are paused.

Total expenditure is under budget primarily due to employee and operating cost reductions, as a result of fewer community programmes and closed facilities during COVID-19 restrictions.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Community partnering and support

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to improve level of service			
Community Halls Improvements	100	-	100
Community Hubs – Building Improvements	15	50	(35)
Community Houses	70	-	70
Community Panel Projects	-	75	(75)
Decarbonisation Energy Conversion	15	-	15
Walter Nash Centre Equipment and Fitout	30	22	8
Walter Nash Taita Centre Furniture	50	-	50
Capital to replace existing assets			
Community Hubs – Interior & Exterior Renewals	5	-	5
Community Hubs – Furniture & Equipment Replacements	5	4	1
Community Houses Building Renewal	150	93	57
CCTV Replacement	30	4	26
Community Halls External and Internal Renewal	200	252	(52)
Stokes Valley Hub Renewal	100	6	94
Walter Nash Centre Renewal	280	49	231
Walter Nash Indoor Courts Resurface Floor and Seating	60	17	43
Total capital projects	1,109	572	537

Significant capital variations from Annual Plan

Total capital expenditure is under budget primarily due to COVID-19 impacts, particularly availability of contractors and material shortages. This has resulted in delays across the Community Hubs and Houses and Walter Nash projects. These projects are being carried over to future financial years.



Ngā mokowā, papa rēhia me ngā whenua tāpui

Open spaces, parks and reserves

Statement of service performance

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

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

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

Key performance indicators

Open spaces, parks and reserves

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We provide leisure and recreational opportunities to our community							
Number of days Council owned/maintained grass sport fields are closed (due to maintenance or drainage issues)	≤ 20 days	New measure 2021-22	New measure 2021-22	New measure 2021-22	15	✓	
Number of days Council owned/maintained artificial turf sports fields are closed (due to maintenance or drainage issues)	≤ 10 days	New measure 2021-22	New measure 2021-22	New measure 2021-22	0	✓	
Resident satisfaction with sports fields	≥ 80%	95%	94%	96%	75%	✗	Residents would have experienced a lower level of service in some activities at times due to COVID-19 restrictions and limitations. For example, during the COVID-19 restrictions in August 2021 the only services were mowing and some bin emptying, playgrounds and toilets were shut and gardening work ceased.
Resident satisfaction with parks and reserves	≥ 80%	96%	97%	96%	77%	✗	
Resident satisfaction with playgrounds	≥ 80%	Not available	97%	95%	71%	✗	

Statement of comprehensive revenue and expenses

Open spaces, parks and reserves

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	1,296	1,257	1,323	1,472	1,483	11
Operating subsidies	-	-	-	-	-	-
Operating grants	6	5	69	5	6	1
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	625	1,495	3,145	3,000	7,045	4,045
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	32	-	1,269	1,269
Vested assets	-	-	116	-	179	179
Other revenue	-	-	3	55	15	(40)
Total revenue	1,927	2,757	4,687	4,532	9,997	5,465
Expenditure						
Employee costs	826	692	613	769	664	105
Operating costs	10,120	11,614	10,945	12,431	11,782	649
Support costs	715	921	921	1,093	1,093	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	818	711	626	400	493	(93)
Depreciation	1,904	2,653	2,218	3,445	3,092	353
Total expenditure	14,383	16,591	15,323	18,139	17,124	1,015
Deficit before tax	(12,456)	(13,833)	(10,636)	(13,607)	(7,127)	6,480
Total capital expenditure	1,649	5,780	4,186	12,909	2,741	10,168
Rates funding requirement						
Deficit before tax	(12,456)	(13,833)	(10,636)	(13,607)	(7,127)	6,480
Add capital contributions	-	-	-	(3,000)	(7,045)	(4,045)
Total rates funding requirement	(12,456)	(13,833)	(10,636)	(16,607)	(14,172)	2,435
Loan funding requirement						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(706)	(4,775)	(3,245)	(3,008)	(1,469)	1,539
Capital to replace existing assets	(943)	(1,005)	(941)	(9,901)	(1,272)	8,629
Less capital contributions	-	-	-	3,000	7,045	4,045
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,904	2,653	2,218	3,445	3,092	(353)
Total loan funding requirement	255	(3,127)	(1,968)	(6,464)	7,396	13,860
Total funding requirement	(12,201)	(16,961)	(12,603)	(23,071)	(6,776)	16,295

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

Open spaces, parks and reserves

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Petone Wharf Demolition	800	-	800
Hutt Valley Tennis – Mitchell Park	500	-	500
Total operating projects	1,300	-	1,300

Significant operating variations from Annual Plan

Total revenue is over budget primarily due to an increase in reserve financial contributions received (\$4M) as a result of growth throughout the city.

Total expenditure is under budget due to project delays including the demolition of Petone Wharf (\$0.8M) and Hutt Valley Tennis – Mitchell Park funding (\$0.5M). This is offset by an overspend on maintenance contracts due to price escalations and storm damage of \$0.5M.

There was an indirect material impact on operating revenue and expenditure as a result of COVID-19 reducing service levels across Parks & Reserves.

Capital projects

Open spaces, parks and reserves

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to improve level of service			
Parks & Gardens Protection Bollards	5	10	(5)
Car Park Development	40	49	(9)
ECNZ Track Easement	-	11	(11)
Hardcourt Development Western Hills	50	-	50
Jubilee Park Drainage	30	-	30
Light Boxes	24	-	24
Meadowbank Reserve Development Belmont	250	-	250
Mountain Bike Park	124	35	89
Maungaraki Reserve Bike Track & Groundworks	200	-	200
Manor Park Cycle Trail	190	188	2
Naenae Ground Works (Reserves Funded)	400	400	(0)
New Tracks & Track Upgrades	-	24	(24)
Valley Floor Review Implementation	595	15	580
Toilets Upgrade	-	14	(14)
Te Whiti Park Building Extension	600	634	(34)
Urban Plus Misc Capital Improvements	-	13	(13)
Wharves Refurbishment	-	54	(54)
Williams Park Improvements	500	22	478

Project	Budget	Actual	Bud v Act Variance
	2022	2022	2022
	\$000	\$000	\$000
Capital to replace existing assets			
Avalon Park Pavilion Renewal	40	-	40
Parks Buildings Capital Renewals	1,926	401	1,525
Korohiwa Bus Barn Renewal	100	-	100
Seats & Bins	60	90	(30)
Parks Hard Surfaces Renewals	240	300	(60)
Parks Signage & Interpretation	30	52	(22)
Playgrounds	255	175	80
Petone Wharf	7,000	83	6,917
Sportsground Buildings Renewals	220	171	49
Track Renewals	30	-	30
Total capital projects	12,909	2,741	10,168

Significant capital variations from Annual Plan

Total capital to replace existing assets is under budget primarily due to delays in the Petone Wharf project (\$6.9M) and delays in the Parks Buildings Capital Renewals (\$1.5M) caused by resourcing constraints and contractor availability.

Total capital to improve level of service is under budget across a number of projects including the Valley Floor Review Implementation and Williams Park Improvements projects of \$0.9M, primarily due to COVID-19 impacts, particularly contractor availability and material shortages. The projects have been carried over into future financial years.



Tūhononga kaupapa, tūhononga tāngata

Connectivity, creativity, learning and recreation

Statement of service performance

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

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

Key performance indicators

Connectivity, creativity, learning, and recreation

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021–22	2018–19	2019–20	2020–21	2021–22	2021–22	
We provide safe spaces where our community can access the services they need							
Number of libraries who met visitor number targets	7 of 7	Not available	7 of 7	New measure 2021–22	1 of 7	×	COVID-19 restrictions in place, no programmes or events running in October and November.
Number of physical loans from libraries	Decrease of less than or equal to 5% (> 829,910)	Not available	804,500	873,590	712,932	×	Reduced visitors/loans likely due to COVID-19 restrictions.
Number of physical loans from libraries via the home delivery service	Decrease of less than or equal to 5% (> 4,997)	Not available	6,319	5,553	4,390	×	All physical loans lower due to COVID-19.
Number of electronic loans from libraries	10% increase on previous year (> 94,013)	Not available	84,859	85,467	115,321	✓	Increased usage of e-loans during COVID-19.
Number of people using the WiFi at libraries and community hubs	Increase number of people year on year	Not available	1,548,776 (Feb - Jun only, different metric to future data)	266,145	233,994	×	Lower visitor numbers due to COVID-19 restrictions and impacts.
Use of Council computers at libraries and community hubs	≥ 75,000	146,038	102,888	81,758	52,412	×	Reduced number of machines available during COVID-19 restrictions, reduced visitor numbers due to COVID-19.
Resident satisfaction with Libraries	≥ 80%	99%	97%	96%	83%	✓	

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
We provide our community with access to a leisure and recreational opportunities							
Number of pools that met visitor number targets	2 of 2 indoor pools, 3 of 3 outdoor pools	Not available	1 of 2 indoor, 2 of 3 outdoor	New measure 2021-22	0 of 5	✘	Impacts of COVID-19 pandemic. All outdoor pools had shortened seasons and closed early due to staffing constraints caused by COVID-19.
Number of fitness suite members	Greater than or equal to previous year (1,338)	Not available	Not available	1,338	1,232	✘	Impacts of COVID-19 pandemic. We are starting to see an increase in membership numbers as people gain confidence to come back after being away due to COVID-19.
Resident satisfaction with pools	≥ 80%	95%	88%	93%	81%	✓	
We enable access to arts and culture							
Number of museums who met visitor number targets	2 of 2	1 of 2	0 of 2	0 of 2	0 of 2	✘	COVID-19 restrictions have had an impact on visitor numbers.
Resident satisfaction with museums	≥ 80%	96% (Unweighted average over 2 museums)	98.5% (Unweighted average over 2 museums)	98.5% (Unweighted average over 2 museums)	80%	✓	

Statement of comprehensive revenue and expenses

Connectivity, creativity, learning, and recreation

For the year ended 30 June	2018-28 LTP (Year 3)					
	Budget	Actual	Budget	Actual	Bud v Act Variance	
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000
Revenue						
Rates income	-	-	-	-	-	-
User charges	5,316	3,914	3,705	4,115	2,982	(1,133)
Operating subsidies	-	-	-	-	-	-
Capital grants	-	-	-	2,700	2,700	-
Operating grants	130	100	207	100	232	132
Capital subsidies	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	4	4
Vested assets	-	-	-	-	-	-
Other revenue	1,088	1,135	924	1,015	738	(277)
Total revenue	6,534	5,149	4,836	7,930	6,656	(1,274)
Expenditure						
Employee costs	11,318	10,351	10,000	9,411	9,205	206
Operating costs	7,128	8,633	6,430	8,964	7,896	1,068
Support costs	3,729	4,874	4,874	6,122	6,122	-
Loss on property sales/disposals	-	-	107	-	-	-
Finance costs	967	1,252	1,102	697	859	(163)
Depreciation	3,633	4,389	4,501	4,589	4,421	168
Total expenditure	26,776	29,499	27,013	29,782	28,503	1,279
Deficit before tax	(20,242)	(24,350)	(22,177)	(21,852)	(21,847)	5
Total capital expenditure	12,687	3,637	1,968	13,288	10,852	2,436
Rates funding requirement						
Deficit before tax	(20,242)	(24,350)	(22,177)	(21,852)	(21,847)	5
Add capital contributions	-	-	-	(2,700)	(2,700)	-
Total rates funding requirement	(20,242)	(24,350)	(22,177)	(24,552)	(24,547)	5
Loan funding requirement						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(9,501)	(496)	(572)	(10,158)	(8,273)	1,885
Capital to replace existing assets	(3,185)	(3,142)	(1,396)	(3,130)	(2,579)	551
Less capital contributions	-	-	-	2,700	2,700	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	3,633	4,389	4,501	4,589	4,421	(168)
Total loan funding requirement	(9,053)	751	2,533	(5,999)	(3,731)	2,268
Total funding requirement	(29,295)	(23,599)	(19,644)	(30,551)	(28,278)	2,273

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

Connectivity, creativity, learning, and recreation

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Events Funding	334	140	194

Significant operating variations from Annual Plan

Total revenue is under budget due to reduced user charges of \$1.1M, as well as reduced revenue from sponsorship and Central Government funding of \$0.3M as a result of COVID-19 related closures and restrictions impacting community spaces and pools.

Total expenditure is under budget primarily due to reduced costs as a result of COVID-19 related health restrictions limiting the number and size of community events that could occur (\$1.1M), as well as underspend in employee costs due to vacancies of \$0.2M.

Capital projects

Connectivity, creativity, learning, and recreation

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to improve level of service			
Civic Events Centre Improvements	150	93	57
Dowse Collection Storage Upgrade	200	62	138
Dowse Heat Pump	50	30	20
Dowse Entrance Upgrade	-	(63)	63
Dowse New Artworks	45	57	(12)
Eastbourne Pool Heat Pump	150	78	72
City Flags	30	3	27
Flag Track Infrastructure	250	161	89
Huia Pool Heat Pump (New side)	396	7	389
Libraries Buildings Improvements	45	55	(10)
Naenae Pool & Fitness Rebuild	8,568	7,750	818
Pools Other Improvement Projects	114	40	74
Libraries RFID Robotic Returns Sorter	160	-	160

Project	Budget	Actual	Bud v Act Variance
	2022	2022	2022
	\$000	\$000	\$000
Capital to replace existing assets			
Civic Events Centre Renewals	-	36	(36)
Dowse Carpets and Soft Furnishings Gallery and Office	10	-	10
Clubhouse Equipment Replacement	15	3	12
Dowse Gallery Lighting	10	29	(19)
Dowse Building and Plant Renewal	60	75	(15)
Dowse Museum Renewal	-	217	(217)
Huia Pool Coloursteel Roof Replacement	260	76	184
Huia Pool Replace Roof Membranes	600	472	128
Libraries Furniture and Equipment Replacement	41	19	22
Libraries Interior and Exterior Renewals	316	521	(205)
Libraries Shelving Replacement	20	14	6
Libraries Stock Replacement	765	763	2
Other Pool Projects	389	354	35
Stokes Valley Pool Roof Replacement	645	-	645
Total capital projects	13,288	10,852	2,436

Significant capital variations from Annual Plan

Total capital expenditure is under budget primarily due to an underspend on the Naenae Pool & Fitness Rebuild of \$0.8M, delays to the Stokes Valley Pool Roof Replacement project of \$0.6M, and delays to Huia Pool building work as a result of contractor unavailability. Delayed projects are being carried into the next financial year.

There was an impact on capital projects as a result of COVID-19 related to shortages in availability of contractors and materials to carry out work.

Te kāwangatanga, te rautaki me ngā kīwei o te kete

Governance, strategy, and partnerships

Statement of service performance

Under the Local Government Act 2002 (LGA), Council has two purposes:

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

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

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

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

Key performance indicators

Governance, strategy, and partnerships

Measure	Target	Achieved	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2018-19	2019-20	2020-21	2021-22	2021-22	
Our community are provided with the information they require to participate in the democratic process							
Meeting and committee agendas made available to the public within statutory time frames	100%	New measure 2021-22	New measure 2021-22	New measure 2021-22	100%	✓	
Resident satisfaction with access to the decision-making process	≥ 80%	New measure 2021-22	New measure 2021-22	New measure 2021-22	40%	✗	There is no single theme available from the qualitative responses to Resident Satisfaction Survey questions used for these measures.
Residents feel they have enough information to participate in democratic process	≥ 80%	New measure 2021-22	New measure 2021-22	New measure 2021-22	47%	✗	

Statement of comprehensive revenue and expenses

Governance, strategy, and partnerships

For the year ended 30 June	2018-28 LTP (Year 3)		2021		2022		Bud v Act Variance
	Budget	Actual	Budget	Actual	Budget	Actual	
	2021 \$000	2021 \$000	2022 \$000	2022 \$000	2022 \$000	2022 \$000	
Revenue							
Rates income	-	-	-	-	-	-	-
User charges	-	-	2	-	-	-	-
Operating subsidies	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-	-
Finance income	-	-	-	-	-	-	-
Dividends	-	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-
Total revenue	-	-	2	-	-	-	-
Expenditure							
Employee costs	508	676	837	1,069	1,010	59	
Operating costs	1,498	1,462	1,479	1,757	1,618	139	
Support costs	2,767	2,976	2,976	3,799	3,799	-	
Loss on property sales/disposals	-	-	-	-	-	-	
Finance costs	-	-	-	-	-	-	
Depreciation	-	11	6	6	6	-	
Total expenditure	4,774	5,125	5,298	6,631	6,433	198	
Deficit before tax	(4,774)	(5,125)	(5,296)	(6,631)	(6,433)	198	
Total capital expenditure	-	-	-	-	-	-	
Rates funding requirement							
Deficit before tax	(4,774)	(5,125)	(5,296)	(6,631)	(6,433)	198	
Add capital contributions	-	-	-	-	-	-	
Total rates funding requirement	(4,774)	(5,125)	(5,296)	(6,631)	(6,433)	198	
Loan funding requirement							
Capital to meet additional demand	-	-	-	-	-	-	
Capital to improve level of service	-	-	-	-	-	-	
Capital to replace existing assets	-	-	-	-	-	-	
Less capital contributions	-	-	-	-	-	-	
Less UHCC capital contributions	-	-	-	-	-	-	
Less asset sales	-	-	-	-	-	-	
Less depreciation	-	11	6	6	6	-	
Total loan funding requirement	-	11	6	6	6	-	
Total funding requirement	(4,774)	(5,114)	(5,290)	(6,625)	(6,427)	198	

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

There are no significant revenue variances.

There are no significant expenditure variances.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

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

Ratonga rangatōpū

Corporate services

Statement of service performance

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

Key performance indicators

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

Statement of comprehensive revenue and expenses

Corporate services

For the year ended 30 June	2018-28 LTP (Year 3)		Budget		Actual		Bud v Act Variance
	2021	2021	2021	2022	2022	2022	
	\$000	\$000	\$000	\$000	\$000	\$000	
Revenue							
Rates income	75,073	74,882	75,378	79,690	80,307	617	
Targeted rates Income	35,695	38,372	38,626	49,770	50,573	803	
User charges	1,093	1,188	1,119	1,098	1,310	212	
Operating subsidies	-	-	-	-	-	-	
Operating grants	-	-	-	-	-	-	
Capital subsidies	-	-	-	-	-	-	
Development and financial contributions	-	-	-	-	-	-	
Finance income	995	796	984	898	904	6	
Dividends	-	6	4	5	3	(2)	
Gain on revaluation of financial instruments	-	-	13,698	-	20,442	20,442	
Gain on property sales/disposals	-	-	-	-	52	52	
Vested assets	-	-	-	-	-	-	
Other revenue	215	363	412	356	460	104	
Total revenue	113,072	115,607	130,220	131,817	154,051	22,234	
Expenditure							
Employee costs	10,262	11,430	13,714	13,766	13,938	172	
Operating costs	3,025	6,588	7,793	6,430	10,363	3,933	
Support costs	(16,092)	(19,725)	(19,727)	(24,235)	(24,235)	-	
Finance costs	1,110	1,586	1,596	1,318	1,412	(94)	
Depreciation	1,650	1,385	1,255	1,708	1,206	502	
Loss on prop sales/disposals	-	-	(117)	-	-	-	
Loss on revaluation of financial instruments	-	-	-	-	-	-	
Total expenditure	(46)	1,265	4,515	(1,013)	2,684	(3,697)	
Surplus before tax	113,118	114,342	125,705	132,830	151,367	18,537	
Total capital expenditure	1,553	6,505	2,129	6,259	214	6,045	

For the year ended 30 June	2018-28 LTP (Year 3)					Actual 2022 \$000	Bud v Act Variance 2022 \$000
	Budget	Actual	Budget				
	2021 \$000	2021 \$000	2022 \$000	2022 \$000			
Rates funding requirement							
Surplus before tax	113,118	114,342	125,705	132,830	151,367	18,537	
Add capital contributions	-	-	-	-	-	-	
Rate funded debt repayment	11,363	24,696	(2,085)	28,767	(621)	(29,388)	
Total rates funding requirement	124,481	139,038	123,620	161,597	150,746	(10,851)	
Loan funding requirement							
Capital to meet additional demand	-	-	-	-	-	-	
Capital to improve level of service	(891)	(4,872)	(1,802)	(4,949)	362	5,311	
Capital to replace existing assets	(662)	(1,633)	(327)	(1,310)	(576)	734	
Less capital contributions	-	-	-	-	-	-	
Less UHCC capital contributions	-	-	-	-	-	-	
Less asset sales	-	-	-	299	53	(246)	
Less depreciation	1,650	1,385	1,255	1,708	1,206	(502)	
Less rate funded debt repayment	(11,363)	(24,696)	2,085	(28,767)	621	29,388	
Total loan funding requirement	(11,266)	(29,816)	1,211	(33,019)	1,666	34,685	
Total funding requirement	113,214	109,222	124,831	128,579	152,412	23,833	

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Total revenue is over budget primarily due to increased rates income mainly related to greater-than-expected growth in rateable properties and other minor variances, and recognition of gains on revaluation of financial instruments of \$20.4M (which is an accounting adjustment with no cash flow implications).

Total expenditure is over budget primarily due to the Go Digital capital programme being treated as operating as a result of changes to the accounting treatment of software as a service, including an adjustment for capitalised costs from the 2020-21 financial year. The change resulted in \$4.6M being recognised as operating expenditure in the current year for the Go Digital programme.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19.

Capital projects

Corporate services

Project	Budget	Actual	Bud v Act Variance
	2022 \$000	2022 \$000	2022 \$000
Capital to improve level of service			
Administration Leased Accommodation Fitout	15	-	15
Other (IT) Projects	3,559	(666)	4,225
System Upgrades	111	(565)	676
Vehicle Purchase	1,264	869	395
Capital to replace existing assets		-	
Civic Administration Building Renewals	10	8	2
Contingent Facilities Management Fund	1,000	172	828
Network storage/Server Hardware and PC Replacement Programme	300	396	(96)
Total capital projects	6,259	214	6,045

Significant capital variations from Annual Plan

Total capital expenditure is under budget primarily due to the transfer of the Go Digital project from capital to operating expenditure as a result of changes to the accounting treatment of Software as a Service (SaaS) including an adjustment for capitalised costs from the 2020–21 financial year, underspend on facilities due to timing issues, and delays in supply affecting vehicle fleet purchases with budget utilised in progressing the electric vehicle charge stations under Sustainability & Resilience.

There were indirect impacts on capital as a result of COVID-19.





Ngā ringaringa me ngā waewae o te kaunihera

Council-Controlled Organisations and Associates

Seaview Marina Limited

Extent to which council's policies and objectives in regard to ownership and control of the organisation have been implemented.

Council's objective for this company is for it to own and operate Seaview Marina.

Nature and scope of its activities

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

Key performance indicators

Seaview Marina Limited

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
Financial				
Deliver annual budgeted revenues for each of the four business entities:				
- Boat storage	100%	99.5% Not achieved	100%	90.5% Not achieved
- Hardstand	100%	122.8%	100%	121.2%
- Marine centre	100%	112.9%	100%	107.1%
- Launching ramp	100%	131.6%	100%	162.1%
Control operational expenses ¹ within budget	Achieve less than or equal to 100% of \$2,436,402	\$2,566,015 Not achieved. Mainly due to higher than planned diesel and maintenance expenses.	Achieve less than or equal to 100% of \$2,331,152	\$2,249,290 Achieved
Achieve prescribed return on equity ²	Achieve greater than or equal to 4.1%	4.7% Achieved	Achieve greater than or equal to 4.6%	4.6% Achieved
Manage capital expenditure ³	Complete within budget and on time	Achieved	Complete within budget and on time	Achieved

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

2 ROE is calculated as the net Surplus/ (Deficit) excluding losses or gains arising from the revaluation of similar assets within an asset class divided by the opening balance of equity at the start of the year. Note Page 6 of the 2020/21 Statement of Intent should read "Achieve a prescribed rate of return on equity" and not "Achieve a prescribed rate of return on investment".

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

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
Relationship and Communication				
Newsletter communications	Complete 4 newsletters in 2021/22	Achieved	Complete 4 newsletters in 2020/21	Achieved
Meet all shareholder reporting deadlines	Reporting Deadlines for 2021/22	Achieved	Reporting Deadlines for 2020/21	Achieved
Client Service	88% satisfaction in the bi-annual survey	Achieved 90.5% for 2021/22.	88% satisfaction in the bi-annual survey	Not measured in 2020/21 ⁴
Risk Management and Human Resources				
Notifiable health and safety incidents	Nil incidents	Achieved	Nil incidents	Not achieved ⁵
Business Continuity Plan	Run test scenario and review	Achieved ⁶	Run test scenario and review	Achieved ⁷
Staff satisfaction	Achieve 85% staff satisfaction	Achieved 92% for 2021/22	Achieve 85% staff satisfaction	Achieved 88%
Marketing				
Implement marketing strategy to improve occupancy rates	Berth occupancy to 95%	Not achieved, berth occupancy 89% ⁸	Berth occupancy to 85% Measure re-instated 2020/21	Achieved Average occupancy 97.6%
Media and Public Relations	6 Media releases or PR exercises during the year	Achieved	20 enquiries per month from website	Achieved National and local media releases provided SML with major coverage.
To provide financial or non-financial support to at least three charitable (non-profit) ventures with a marine focus during any given year.	Support was provided to three charitable ventures in 2021/22	Achieved ⁹	Measure introduced in 2021/22 financial year.	Not Applicable

4 The 2020/21 Statement of Intent performance measure for client service was to achieve 88% or better in the bi-annual survey. This measure was subsequently changed during 2020/21 to "85% positive feedback from the SML website." Due to the small turnover of berths and the low rates of entry/exit surveys, it was decided to use website satisfaction responses during the year. This provided a much larger sample size. SML achieved greater than 85% positive feedback from its website.

5 A staff member had his thumb crushed using the forklift. Miscommunication between him and his co-worker resulted in a load being lowered before the staff member had his hand clear. This incident was reported to WorkSafe but they did not take any further action.

6 An evacuation drill was planned and all marina users notified towards the end of 2021/22. However, due to staff challenges the actual exercise had to be delayed to early 2022/23. The exercise achieved its objectives.

7 In 2020/21 an exercise based around not having access to the office for a full day was completed and issues related to this documented and actions taken to remedy them.

8 In 2022, SML encountered a problem with large numbers of seabirds roosting on the new in-water development. This needs to be solved before actively marketing the vacant berths.

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

Urban Plus Limited

Urban Plus Ltd (UPL) Group is 100 per cent owned by Hutt City Council. The Urban Plus Ltd Group consists of Urban Plus Ltd and its 100 per cent 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 from Council for development.

Nature and scope of its activities

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

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

Key performance indicators

Urban Plus Limited

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
Rental Housing				
1.1 Capital expenditure within budget	Capital \$1,412,437	Not Achieved \$5,453,476 This is due to unbudgeted strategic acquisitions	Capital \$264,956	Achieved \$170,103
1.2 Operational expenditure within budget ¹	Operating \$1,218,535	Achieved \$1,214,552	Operating \$1,418,143	Not Achieved \$1,448,736
1.3 Net surplus before depreciation and tax and after finance expenses as a proportion of the net book value of residential land and buildings at the start of the year greater than 2.25% ²	2.25%	Achieved 2.54%	3.5%	Not Achieved 2.1%
1.4 Tenant satisfaction with the provision of the company’s rental housing greater than or equal to 90% ³	90%	Achieved 98%	90%	Achieved 100%

1 Operating expenditure before depreciation and tax expense.

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

3 This measure is from a survey of tenants who on a 5 point rating scale, with 3 being ‘neutral’, rated their satisfaction as neutral or better. There was a response rate of 34% from the 192 surveys sent.

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
1.5 Percentage of total housing units occupied by low-income elderly greater than or equal to 85%	85%	Not Achieved 78% identified NZ National Superannuation as their primary source of income. The existing tenants at recently acquired properties have lowered this percentage. ⁴	85%	Not Achieved 73.6% identified NZ National Superannuation as their primary source of income. The existing tenants at the recently acquired 17 Britannia St have lowered this percentage ⁴
1.6 Rentals charged shall be no more than 80% of "market" rent	No more than 80%	Achieved 67%	80%	Not Achieved 71% Weekly increases of \$60-\$80 per week were required to meet the 80% target, after discussion with the Board, only a minimal increase was seen as appropriate
1.7 Increase the portfolio size to 220 units by December 2023	220 units by December 2023	Not Achieved Number of units increased to 200, however the 220 target is expected to be achieved by December 2023	220 units by December 2023	Not Achieved Number of units remains at 189, however the 220 target is expected to be achieved by December 2023
1.8 All rental housing units in the portfolio to have a HomeFit® certificate by 30 June 2024	All housing units to have received a HomeFit® certificate by 30 June 2024	Not Achieved All housing units are expected to have received a HomeFit® certificated by 30 June 2024	Assess the performance of the rental housing portfolio against the HomeFit® standard	Achieved
1.9 Any rental housing units purchased and not already utilising electricity or renewable sources of energy for space heating, water heating, and cooking facilities, shall be converted to utilise only electricity or renewable sources of energy within five years of acquisition	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	N/A No units in the existing portfolio utilise non-renewable energy sources No units acquired during 2021/22 utilise non-renewable energy sources	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	N/A No units in the existing portfolio utilise non-renewable energy sources No acquisitions were made during 2020/21
1.10 New rental housing units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A No units were constructed during 2021/22	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A No units were constructed during 2020/21

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

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
Property Development				
1.11 Capital expenditure within budget	Capital \$0	Not Achieved \$4,459,475 This is due to the decision not to transfer the Molesworth development into UPL LP where it was budgeted to be moved	Capital \$0	Not Achieved \$2,381,155 This is largely caused by the Molesworth development project having not yet transferred to UPL LP
1.12 Operational expenditure within budget ⁵	Operating \$1,256,879	Not Achieved \$1,344,956 This is predominantly due to the marketing and agent fees associated with the unbudgeted sale of the Jackson Street property	Operating \$1,325,861	Achieved \$1,184,729
1.13 From 1 July 2019, any new developments not already resource consented as at 30 June 2019, shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	N/A No new developments were completed during the 2021/22	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Achieved
1.14 By the year ending 30 June 2021, all new housing units (standalone house or townhouse) shall achieve a certified Homestar™ design rating of at least six stars ⁵	All new housing units to achieve a Homestar™ rating of at least six stars	Achieved All housing units received a Homestar™ design rating of at least six stars	One or more units to achieve a Homestar™ rating of at least six stars	Not Achieved A Homestar™ design rating of six stars was achieved for the Molesworth Street project, but was not received until after 30 June 2021 ⁶
1.15 A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives)	20%	Achieved The sale of the Jackson Street project property returned 52.6%	20%	N/A No commercial development projects were completed during 2020/21
1.16 A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives)	15%	N/A No 'Affordable' housing development projects were completed during 2021/22	15%	N/A No 'Affordable' housing development projects were completed during 2020/21

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

6 Homestar™ built ratings are achieved after assessments completed once projects obtain practical completion.

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
1.17 Value of divestment to Community Housing Provider (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 10% (except where the Board and Shareholder agree otherwise to achieve specified objectives)	10%	N/A No divestments to Community Housing Providers were made during 2021/22	10%	N/A No divestments to Community Housing Providers were made during 2020/21
1.18 Long term public rental accommodation pre-tax returns at no less that (or equal to) 3.5% after depreciation	3.5%	N/A No long term public rental accommodation was completed during 2021/22	3.5%	N/A No long term public rental accommodation was completed during 2020/21
Professional Property Advice				
1.19 Achieve a market return on additional services provided to the shareholder	Achieve a market return on additional services provided to the shareholder	N/A Additional services were not charged to the shareholder during 2021/22	Achieve a market return on additional services provided to the shareholder	N/A Additional services were not charged to the shareholder during 2020/21

Statement of service performance

UPL Developments Limited

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved
Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved
Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved
Capital expenditure within budget ¹	\$0	Not Achieved \$4,850,126 There was no capital expenditure budget for the 2021/22 financial year as the decision to use UPL DL for development projects was made after the budget was set	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
Operational expenditure within budget ²	\$346,819	Achieved \$156,342	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21

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.

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
From 1 July 2019, any new developments not already resource consented as at 30 June 2019, shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	N/A No new developments were completed in the year to 30 June 2022	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
From 1 July 2021, 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 to achieve a Homestar™ design rating of at least six stars	N/A No new housing units were consented in the year to 30 June 2022	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives)	20%	N/A No commercial development projects were completed during the year to 30 June 2022	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives)	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2022	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
Value of divestment to Community Housing Providers (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 10% (except where the Board and Shareholder agree otherwise to achieve specified objectives)	10%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2022	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
Long term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation ⁴	3.5%	N/A No long term rental accommodation was developed during the year to 30 June 2022	N/A UPL DL was not used for development projects in 2020/21	N/A UPL DL was not used for development projects in 2020/21
Act as general partner when a Limited Partnership structure is utilised for development projects	Act as general partner when a Limited Partnership structure is utilised for development projects	Achieved	Act as general partner when a Limited Partnership structure is utilised for development projects	Achieved

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

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

Statement of service performance

UPL Limited Partnership

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved
To perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes	Perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes	Achieved	Perform business undertakings in common with Urban Plus Limited with a view to profit from development projects for the purposes of funding elderly housing portfolio	Achieved
Capital expenditure within budget ¹	\$38,574,651	Achieved \$1,144,948	\$24,632,654	Achieved \$14,496,859
Operational expenditure within budget ²	\$184,060	Achieved \$130,670	\$505,924	Achieved \$239,389
From 1 July 2019, any new developments not already resource consented as at 30 June 2019, shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	N/A No developments consented after 30 June 2019 were completed in the year to 30 June 2022	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Achieved All developments consented after 30 June 2019 have only utilised electricity and renewable energy sources for space heating, water heating and cooking facilities
From 1 July 2021, 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 to achieve a HomeStar™ design rating of at least six stars	N/A No new housing units were consented in the year to 30 June 2022	One or more units to achieve a HomeStar™ rating of at least six stars	Not Achieved A HomeStar™ design rating of six stars was achieved for the Molesworth Street project, but was not received until after 30 June 2021 ⁴

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

2 Operational expenditure excludes cost of commercial development sales.

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

4 Homestar™ built ratings are achieved after assessments completed once projects obtain practical completion.

Measure	Target	Achieved	Target	Achieved
	2022	2022	2021	2021
A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives)	20%	Achieved Central Park on Copeland returned 38.7% The Lane, Waterloo returned 31.8%	20%	N/A No commercial development projects were completed during the year to 30 June 2021
A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives)	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2022	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2021
Value of divestment to Community Housing Providers (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 10% (except where the Board and Shareholder agree otherwise to achieve specified objectives)	10%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2022	10%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2021
Long term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation. ⁵	3.5%	N/A No long term rental accommodation was developed during the year to 30 June 2022	3.5%	N/A No long term rental accommodation was developed during the year to 30 June 2021

⁵ Returns are specific to each project's (Board Approved) business case where long term market rentals are developed. Future rents are set per independent annual review.



Wellington Water Limited

Extent to which council's policies and objectives in regard to ownership and control of the organisation have been implemented.

Council's objective for this company is for it to manage the provision of water services to Te Awa Kairangi ki Tai Lower Hutt and other shareholding councils.

Nature and scope of its activities

Council expects the company to manage, for the long-term, the water, wastewater and stormwater assets of the shareholding councils and to operate as a successful business, managed on a non-profit basis.

Note: key performance measures are also reported in the relevant activity sections of this Annual Report (Water Supply, Wastewater and Stormwater). The performance results that follow are key metrics extracted from the Wellington Water Limited 2021–22 Annual Report.

Wellington Water performance measurement systems

The following notes relate to performance measures outlined on pages 37–38, 41, 44 and 105–107 of the Annual Report.

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

WWL's Annual report received an unmodified audit opinion from Audit New Zealand on the financial statements and a qualified opinion in respect of performance information. The qualified opinion is in respect of two matters, being the accuracy of determining water loss and the recording of complaints. In respect of water loss calculations, a change in methodology more accurately assesses water loss for the 30 June 2022 financial year but cannot be directly compared with the previous year. With the recording of complaints (in HCC terminology requests for service) there is concern that HCC does not adequately record multiple requests for the same issue. This matter will be addressed as part of the Go Digital Programme when the Confirm system is replaced, which is expected to occur in 2023.

Key performance indicators

Wellington Water Limited

Water supply

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2020-21	2021-22	2021-22	
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 part 4 of the drinking-water standards (bacteria compliance criteria)	Full Compliance -100%	Full Compliance -100%	Full Compliance -100%	✓	
The extent to which the local authority's drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Full Compliance -100%	Full Compliance -100%	Full Compliance -100%	✓	
The percentage of real water loss from the local authority's networked reticulation system ¹	≤ 20%	15% ²	20% ³	✓	
Median response time to attend urgent call-outs	≤ 90 minutes	85 mins	66 mins	✓	
Median response time to resolve urgent call-outs	≤ 8 hours	3 hours	3 hours	✓	
Median response time to attend non-urgent call-outs	≤ 72 hours	68 hours	92 hours	✗	Regional increase in response and resolution times as the number of leaks reach levels greater than Wellington Water's capacity. The backlog of jobs has reached record levels, coupled with front line shortages during the peak of COVID-19 waves.
Median response time to resolve non-urgent call-outs	≤ 20 working days	6 working days	3 working days	✓	
The total number of complaints received about drinking water taste, clarity, odour, water pressure or flow, continuity of supply or the response to any of these issues; expressed per 1000 connections ⁴	≤ 20	17.6	24.3	✗	The network is ageing, and the associated fault volumes are increasing. Ageing water pipes are prone to burst or be in need of repairs.
Average consumption of drinking water per day per resident	≤ 385 litres	379 litres	381 litres	✓	

- Although WWL continues to fix leaks at a very high rate, it continues to experience issues with ageing pipes that are prone to bursts and in need of repairs. The number of leaks are reaching levels greater than its capacity, and there are a backlog of works carried over from previous service delivery arrangements. The methodology for measuring water loss changed in the 2021/22 financial year due to the installation of small area monitors (SMA) that enabled better monitoring of water loss by WWL. While WWL applied a DIA methodology for calculating water loss in 2020/21, the confidence interval associated with this calculation was outside an acceptable range and for this reason the reported result was qualified. In 2021/22 WWL also changed the water loss calculation methodology to another option provided by DIA. The issue with measuring water loss has now been resolved by WWL and does not affect the results for the current year.
- These are estimated figures for water loss on the public network only. We were unable to provide more accurate figures due to the absence of residential water meters.
- There is a 95% confidence interval for this measure of 14-25%. WWL used a new methodology for 2021/22 using a minimum night flows method which includes information from newly installed Small Area Monitors.
- Wellington Water was unable to accurately report the number of complaints for each of the three water services. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.

Wastewater

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2020-21	2021-22	2021-22	
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					
The number of dry weather sewerage overflows from the territorial authority's sewerage system, expressed 1000 connections	≤ 20	6.25	3.6	✓	
Number of abatement notices received in relation to the resource consents for discharge from sewerage systems	0	2	1	✗	Two unconsented odour discharges at the Seaview Wastewater Treatment Plant, caused by blockages in the dryer conveyor belt, and one unauthorised dry weather discharge of treated effluent to the Waiwhetū Stream.
Number of infringement notices received in relation to the resource consents for discharge from sewerage systems	0	0	2	✗	Two unconsented odour discharges at the Seaview Wastewater Treatment Plant, caused by blockages in the dryer conveyor belt, and one unauthorised dry weather discharge of treated effluent to the Waiwhetū Stream.
Number of enforcement orders received in relation to the resource consents for discharge from sewerage systems	0	0	0	✓	
Number of successful prosecutions in relation to the resource consents for discharge from sewerage systems	0	0	0	✓	
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:					
Median response time to attend a sewage overflow resulting from a blockage or other fault in the sewerage system	≤ 90 minutes	73 mins	196 mins	✗	Increasing work volumes and ongoing resource constraints. Wellington Water continues to manage this by prioritizing resources accordingly, which has impacted response times.
Median response time to resolve a sewage overflow resulting from a blockage or other fault in the sewerage system	≤ 8 hours	6.4 hours	20.3 hours	✗	Although Wellington Water continues to fix leaks at a very high rate, we are battling ageing pipes that are prone to bursts and in need of repairs. As the number of leaks are reaching levels greater than our capacity, coupled with a backlog of works carried over from previous service delivery arrangements, the end of year result exceeds the target. Note that there has been an increase in non-urgent response and resolution times across the region as our backlog of jobs has reached record levels, coupled with front line shortages during the peak of COVID-19 waves.
The total number of complaints received about sewerage odour, sewerage system faults, sewerage system blockages and the response to any of these issues; expressed per 1000 connections ¹	<=30	19.1	20.6	✓	

1 Wellington Water was unable to accurately report the number of complaints for each of the three water services. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.

Stormwater

Measure	Target	Achieved	Achieved	Year End vs Target	Variance reason
	2021-22	2020-21	2021-22	2021-22	
We want to ensure our community can enjoy recreational assets					
The number of flooding events that occurred throughout the year	≤ 2	0	2	✓	
For each flooding event, the number of habitable floors affected; expressed per 1000 connections	≤ 0.24	Nil (no flooding event)	0.3	✗	Due to a series of heavy rainfall events in July 2021 and June 2022, a total of 11 residential properties were flooded.
Number of abatement notices received in relation to the resource consents for discharge from stormwater systems	0	1	0	✓	
Number of infringement notices received in relation to the resource consents for discharge from stormwater systems	0	0	0	✓	
Number of enforcement orders received in relation to the resource consents for discharge from stormwater systems	0	0	0	✓	
Number of successful prosecutions in relation to the resource consents for discharge from stormwater systems	0	0	0	✓	
We want to ensure our City has a safe, reliable, quality stormwater system					
Median response time to attend a flooding event	≤ 8 hours	Nil (no flooding event)	71 hours	✗	High calls numbers received during flooding events (600+ calls during the July 2021 event) meant that not everyone could be responded to within the target timeframe. A team was activated to work through many customer requests after each event.
The number of complaints received by a territorial authority about the performance of its stormwater system, expressed per 1000 connections ¹	≤ 20	6.71	14.3	✓	

¹ Wellington Water was unable to accurately report the number of complaints for each of the three water services. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.



3 Hō mātou pūtea

Our finances

Tauākī Tūtohu

Statement of compliance

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



Campbell Barry

Koromatua o Te Awa Kairangi ki Tai
Mayor of Lower Hutt

20 December 2022



Jo Miller

Tumu Whakarae
Chief Executive

20 December 2022

Pūrongo Kaitātari Kaute

Independent Auditor's report

To the readers of Hutt City Council's annual report for the year ended 30 June 2022

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

We are also required to report on:

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

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

We completed our work on 20 December 2022. This is the date on which we give our report.

Opinion on the audited information

Unmodified opinion on the audited information, excluding the activity statements

In our opinion:

- the financial statements on pages 114 to 183:
 - present fairly, in all material respects:
 - the City Council and Group's financial position as at 30 June 2022;
 - the results of the operations and cash flows for the year ended on that date; and
 - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 204, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan;

- the statement about capital expenditure for each group of activities on pages 191 to 203 presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 191 to 203, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

Qualified opinion on the activity statements

In our opinion, except for the possible effects of the matters described in the "Basis for our opinion on the audited information" section of our report, the activity statements on pages 35 to 90:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2022, including:
 - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
 - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 187 to 190, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's audited information and, where applicable, the City Council's long-term plan and annual plans.

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

Basis for our opinion on the audited information

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

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

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

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The City Council and its afterhours call centre provider have not been classifying complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received. Our opinion on these performance measures was also qualified for the 2021 performance year.

Maintenance of the reticulation network – Water supply

Wellington Water Limited (Wellington Water) manages the water assets and services of six shareholding councils, including the City Council. Wellington Water reports its performance in respect of water services to the six councils, which are required to report thereon in their respective statements of service provision.

In the prior year, Wellington Water was unable to report a reliable water loss percentage for each of its shareholding councils. This is because the water loss percentage was estimated using information obtained from water meters across the reticulation network. The limited number of water meters across the shareholding councils' reticulation networks significantly impacted the reliability of the results.

This issue has been resolved for the 30 June 2022 year following a change in methodology. As the issue cannot be resolved for the 30 June 2021 year the reported performance, for the 30 June 2022 year may not be directly comparable to the 30 June 2021 performance information.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and

Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

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

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

Emphasis of matters

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

The Government's three waters reform programme

Without further modifying our opinion, we draw attention to note 31 on page 183, which outlines that, in June 2022, the Government introduced legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities with effect from 1 July 2024. The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that the City Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

Inherent uncertainties in the measurement of Greenhouse gas emissions

The City Council has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page 51, which outlines the inherent uncertainties in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainties because the scientific knowledge and methodologies to determine the emissions factors and processes used to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

Responsibilities of the Council for the audited information

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

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

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

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

Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from

fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the activity statements, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the audited information of the entities or business activities within the Group to express an opinion on the consolidated audited information. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Our responsibilities arise from the Public Audit Act 2001.

Other Information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 1 to 211, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

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

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

Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have performed a limited assurance engagement related to the City Council's debenture trust deed. This engagement is compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the City Council or its subsidiaries and controlled entities.



John Whittal

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

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Tauākī pūtea

Financial statements

Statement of comprehensive revenue and expenses

For the year ended
30 June 2022

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Revenue						
Rates	3.	130,880	129,460	114,004	130,462	113,625
Fees, charges and metered water supply	4.	45,079	45,611	44,658	50,236	50,008
Development and financial contributions		11,131	4,502	4,523	11,130	4,523
Subsidies and grants	4.	22,940	26,546	20,877	22,940	20,877
Finance income	5.	904	898	984	535	302
Other revenue	4.	9,501	5,955	6,813	9,690	6,977
Revenue from the sale of commercial developments		-	-	-	13,492	19,154
Gain on revaluation of financial instruments	6.	20,442	-	13,698	20,442	13,698
Gain on disposal	6.	1,335	-	3	2,420	2
Total revenue		242,212	212,972	205,560	261,353	229,166
Expenses						
Employee costs	7.	40,083	40,766	39,817	41,674	41,157
Other expenses	8.	122,642	116,960	100,205	133,727	115,736
Finance costs	5.	7,784	6,542	7,432	7,784	7,432
Depreciation and amortisation expenses	14–16.	45,369	48,237	41,528	46,823	43,797
Total expense		215,878	212,505	188,982	230,008	208,122
Share of associate's surplus/(deficit)	17.	-	-	-	507	83
Surplus/(deficit) before tax		26,334	467	16,578	31,852	21,126
Income tax expense/(benefit)	9.	14	-	28	904	1,301
Surplus/(deficit) after tax (attributed to Hutt City Council)		26,320	467	16,550	30,948	19,825
Other comprehensive revenue and expenses						
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(losses) on property revaluations	24.	180,310	-	-	197,725	2,206
Deferred tax on revaluation	9.	-	-	-	300	(353)
Total other comprehensive revenue and expenses		180,310	-	-	198,025	1,853
Total comprehensive revenue and expenses (attributed to Hutt City Council)		206,630	467	16,550	228,973	21,679

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 2022

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Balance at 1 July		1,386,336	1,343,388	1,332,642	1,426,232	1,404,553
Total comprehensive revenue and expenses for the year		206,630	467	16,550	228,973	21,679
Net assets on Amalgamation of Hutt City Community Facilities Trust	24.	-	-	37,144	-	-
Balance at 30 June	24.	1,592,966	1,343,855	1,386,336	1,655,205	1,426,232

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 2022

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Assets						
Current assets						
Cash and cash equivalents	10.	23,832	12,688	2,491	26,087	4,621
Debtors and other receivables	11.	21,264	15,628	18,712	21,432	18,349
Inventories	13.	2,981	-	896	20,261	16,476
Prepayments		5,639	4,134	9,514	5,648	9,602
Accrued interest		266	-	211	266	211
Non-current assets held for sale		-	9	-	-	1,822
Total current assets		53,982	32,459	31,824	73,694	51,081
Non-current assets						
Property, plant and equipment	14.	1,745,884	1,565,249	1,580,867	1,817,109	1,634,305
Intangible assets	15.	1,029	7,566	1,093	1,035	1,102
Assets under construction	14.	58,721	14,343	23,511	59,353	25,358
Investment property		-	-	-	5,078	-
Derivative financial instruments (A)	12.	2,648	-	-	2,648	-
Non-current receivable		964	858	909	964	909
Investment in associate	17.	200	200	200	881	374
Other financial assets	18.					
- Investment in CCO's and other similar entities		35,253	37,043	33,743	5,008	3,498
- Investment in other entities		455	494	455	455	455
Total other financial assets		35,708	37,537	34,198	5,463	3,953
Total non-current assets		1,845,154	1,625,753	1,640,778	1,892,531	1,666,001
Total assets		1,899,136	1,658,212	1,672,602	1,966,225	1,717,082
Liabilities						
Current liabilities						
Borrowings - current	20.	35,700	35,703	30,000	35,700	30,000
Derivative financial instruments (L)	12.	-	23	-	-	-
Creditors and other payables	19.	29,700	23,166	32,517	30,114	33,082
Employee entitlements	21.	5,206	2,724	5,161	5,338	5,261
Provisions - current	22.	524	-	342	524	342
Income tax payable	9.	42	-	28	1,558	593
Other liabilities	23.	5,940	5,207	7,570	6,078	7,659

As at 30 June 2022

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Total current liabilities		77,112	66,823	75,618	79,312	76,938
Non-current liabilities						
Borrowings	20.	220,000	208,884	185,700	220,000	185,700
Employee entitlements	21.	372	544	419	406	453
Derivative financial instruments (L)	12.	663	32,133	18,458	663	18,458
Provisions - non current	22.	8,023	5,973	6,071	8,023	6,071
Deferred tax liability	9.	-	-	-	2,616	3,230
Total non-current liabilities		229,058	247,534	210,648	231,708	213,912
Total liabilities		306,170	314,357	286,266	311,020	290,850
Net assets (assets minus liabilities)		1,592,966	1,343,855	1,386,336	1,655,205	1,426,232
Equity						
Accumulated funds	24.	704,745	639,404	685,230	719,355	695,212
Reserves	24.	888,221	704,451	701,106	935,850	731,020
Total Equity (attributable to Hutt City Council)		1,592,966	1,343,855	1,386,336	1,655,205	1,426,232

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 2022

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash flows from operating activities						
Cash was provided from:						
Receipts from rates and levies - Council		129,855	129,460	113,702	129,437	113,323
Receipts from rates and levies - Greater Wellington Regional Council *		34,131	33,773	31,794	67,887	31,794
Receipts from user charges and other income		80,120	81,751	74,805	83,220	80,547
Receipts from sales of commercial developments		-	-	-	13,492	13,983
Interest received		849	898	1,116	480	434
Dividends		-	5	-	-	-
Net GST received from Inland Revenue **		211	-	-	211	-
		245,166	245,887	221,416	294,727	240,080
Cash was applied to:						
Payments to employees		(40,085)	(40,766)	(37,498)	(41,638)	(38,811)
Payments to suppliers		(113,268)	(116,960)	(107,367)	(149,749)	(109,344)
Purchase of inventory held for commercial development		-	-	-	(8,612)	(14,407)
Interest paid		(7,285)	(6,542)	(7,183)	(7,285)	(7,183)
Net GST paid to Inland Revenue **		-	-	(491)	-	(2,048)
Rates and levies passed to Greater Wellington Regional Council *		(33,755)	(33,773)	(31,590)	(33,755)	(31,590)
		(194,393)	(198,041)	(184,129)	(241,040)	(203,383)
Net cash flows from operating activities		50,773	47,846	37,288	53,687	36,698
Cash flows from investing activities						
Cash was provided from:						
Receipts from sale of property, plant and equipment		1,481	299	173	4,393	46,378
Other investment receipts		240	-	20,959	240	20,576
		1,721	299	21,132	4,633	66,954
Cash was applied to:						
Purchase of property, plant and equipment		(73,068)	(73,836)	(55,169)	(78,769)	(100,389)
- less Upper Hutt City Council capital contribution		3,810	3,315	2,445	3,810	2,445
Purchase of intangible assets		(145)	(6,259)	(125)	(145)	(133)
Other payments and investments		(1,750)	-	(518)	(1,750)	(518)
		(71,153)	(76,780)	(53,367)	(76,854)	(98,595)
Net cash flows from investing activities		(69,432)	(76,481)	(32,235)	(72,221)	(31,641)

For the year ended
30 June 2022

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash flows from financing activities						
Cash was provided from:						
Proceeds from borrowings		70,000	79,825	20,700	70,000	20,700
Cash was applied to:						
Repayment of borrowings		(30,000)	(51,190)	(46,000)	(30,000)	(46,000)
Net cash flows from financing activities		40,000	28,635	(25,300)	40,000	(25,300)
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		21,341	-	(20,247)	21,466	(20,243)
Cash, cash equivalents and bank overdrafts at the beginning of the year		2,491	12,688	22,738	4,621	24,864
Cash, cash equivalents and bank overdrafts at the end of the year	10.	23,832	12,688	2,491	26,087	4,621

* 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Surplus after tax	26,320	16,550	30,948	19,826
Add/(less) non-cash items:				
Depreciation and amortisation	45,369	41,528	46,823	43,797
Share of associates (surplus)/deficit	-	-	(507)	(83)
Net bad debts/impairment expense	311	180	366	227
(Gain)/Loss on revaluation of financial instruments	(20,442)	(13,698)	(20,442)	(13,698)
Landfill provision	2,134	440	2,134	440
Vested assets	(3,621)	(2,170)	(3,621)	(2,170)
Income tax expense	14	28	904	1,301
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable and other assets	(1,186)	(9,804)	(3,383)	(11,797)
Increase/(decrease) in creditors	4,841	(438)	4,689	(369)
Increase/(decreased) in provisions and other liabilities	(1,632)	4,675	(1,551)	4,682
Increase in deferred tax liability	-	-	(253)	-
Add/(less) items classified as investing activities:				
Surplus on sale of property, plant and equipment and other movements	(1,335)	(3)	(2,420)	(5,458)
Net cash inflows from operating activities	50,773	37,288	53,687	36,698

Reconciliation of borrowing cash flows from financing activities

	Council and Group			2022 \$000
	2021 \$000	Cash Flows \$000	Non-Cash changes \$000	
	Opening	Movements	Movements	Closing
Current borrowing	30,000	(30,000)	35,700	35,700
Non-current borrowing	185,700	70,000	(35,700)	220,000
Total liabilities from financing activities	215,700	40,000	-	255,700

Āpiti hanga tauākī pūtea

Notes to the financial statements

1. Statement of accountings policies

Reporting entity

Hutt City Council is a territorial local authority established under the Local Government Act 2002 (LGA), and is domiciled and operates in New Zealand. Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name was changed to the Hutt City Council by a special Act of Parliament on 8 October 1991. The relevant legislation governing the council's operations includes the LGA and the Local Government (Rating) Act 2002.

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

The Hutt City Community Facilities Trust was disestablished on 30 June 2021 following public consultation, a resolution by council and with the agreement of the trustees. On disestablishment, the assets (at fair value) and liabilities of the trust were transferred and amalgamated into council. Refer note 24.

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

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

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

The financial statements of council and group are for the year ended 30 June 2022. The financial statements were authorised for issue by council on 20 December 2022.

Basis of preparation

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

Statement of compliance

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

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

Measurement base

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

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

Presentation currency and rounding

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

Standards issued and not effective and not early adopted

Financial instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 is effective for the year ending 30 June 2023, with earlier application permitted. The main changes under the standard relevant to council and group are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost

- a new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

Council and group have undertaken an initial assessment of the impact of the new standard. Based on that initial assessment, council anticipates that the standard will not have a material effect on council and group's financial statements. Council and group will not early adopt this amendment.

Service performance report

PBE FRS 48 Service Performance Reporting replaces the service performance reporting requirement of PBE IPSAS 1 Presentation of Financial Statements and is effective for the year ending 30 June 2023, with early application permitted. Council and group have not yet determined how application to PBE FRS 48 will affect its statement of service performance. Council and group will not early adopt this standard.

Changes in accounting policies

Software as a Service (SaaS) arrangements

In April 2021, the International Financial Reporting Interpretations Committee (IFRIC), a committee supporting profit-oriented reporting, published an agenda decision clarifying how configuration and customisation costs incurred in implementing SaaS should be accounted for.

The IFRIC concluded that SaaS arrangements are service contracts providing the customer with the right to access the SaaS provider's application software over the contract period. Costs incurred to configure or customise software in a cloud computing arrangement, can be recognised as intangible assets only if the activities create an intangible asset that the entity controls, and the intangible asset meets the recognition criteria.

Some of these costs incurred are 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. 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.

Costs that do not result in intangible assets are expensed as incurred unless they represent payment for future services to be received. In which case a prepayment is initially recognised and then expensed as those subsequent services are received.

The New Zealand Accounting Standards Board has not issued similar guidance, however, in the absence of a PBE standard specifically dealing with such costs, management considers the IFRIC decision relevant to the accounting for similar types of arrangements of the group in accordance with PBE IPSAS 31 Intangible assets.

The group revised its accounting policy in relation to configuration and customisation costs incurred in implementing SaaS arrangements from 1 July 2021 to be consistent with the IFRIC agenda decision. As SaaS arrangements are new to the group, there was no impact on prior year capitalisation of intangible assets.

Other changes in accounting policies

There have been no other changes in accounting policies.

Summary of significant accounting policies

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

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

Basis of consolidation

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

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

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

Foreign currency transactions

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures presented in these financial statements are those approved by council in its Long Term Plan 2021–2031. The budget figures have been prepared in accordance with NZ GAAP using accounting policies adopted by council for the preparation of these financial statements.

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

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

Critical accounting estimates and assumptions

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

Estimating the fair value of land, buildings and Infrastructural assets: refer to note 14: Property, plant and equipment

Estimating the retirement and long service leave obligations: refer to note 21: Employee entitlements

Estimating the Holiday's Act Compliance provisions: refer note 21: Employee Entitlements

Estimating the landfill aftercare provisions: refer to note 22: Provisions

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies in relation to the classification of pensioner housing – refer to note 14: Property, plant and equipment.

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the Three Waters Reform Programme using a legislated “all in” approach, Hutt City Council continues to recognise its three waters assets at 30 June 2022 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. It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement – refer to note 31: Events after balance date.

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
	2022 \$000	2022 \$000	2021 \$000
Revenue			
Environmental wellbeing			
Water supply	8,107	6,568	5,250
Wastewater	9,498	5,990	6,022
Stormwater	2,846	1,284	1,242
Solid waste	21,921	19,888	19,319
Sustainability and resilience	866	895	451
Regulatory services	9,629	9,891	9,533
Economic wellbeing			
Transport	17,036	21,381	22,000
City development	484	1,119	458
Social and cultural wellbeing			
Community partnering and support	1,121	1,677	1,564
Open spaces, parks, and reserves	9,997	4,532	4,687
Connectivity, creativity, learning and recreation	6,656	7,930	4,836
Governance, strategy and partnerships	-	-	2
Corporate services	23,171	2,357	16,192
Total activity revenue	111,332	83,512	91,556
General rates	80,308	79,690	75,160
Targeted rates	50,572	49,770	38,844
Total revenue	242,212	212,972	205,560

	Council		
	Actual	Budget	Actual
	2022 \$000	2022 \$000	2021 \$000
Expenditure			
Environmental wellbeing			
Water supply	25,279	23,382	21,830
Wastewater	26,588	25,830	22,800
Stormwater	11,489	11,759	9,282
Solid waste	25,124	21,708	15,097
Sustainability and resilience	2,681	2,502	2,615
Regulatory services	14,624	12,094	12,991
Economic wellbeing			
Transport	34,991	35,433	32,680
City development	10,346	14,575	8,704
Social and cultural wellbeing			
Community partnering and support	10,012	11,682	10,279
Open spaces, parks, and reserves	17,124	18,139	15,323
Connectivity, creativity, learning and recreation	28,503	29,782	27,013
Governance, strategy and partnerships	6,433	6,631	5,298
Corporate services	2,684	(1,012)	5,070
Total activity expenditure	215,878	212,505	188,982
Total operating expenditure	215,878	212,505	188,982
Surplus/(deficit) before tax	26,334	467	16,578

The comparative 2021 figures have been restated to align with the group of activities outlined in the council's 10-year long-term plan.

3. Rates revenue

Accounting Policy

Rates revenue is measured at fair value.

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

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

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

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

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

Breakdown of rates and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
General rates	80,308	75,160	79,890	74,781
Targeted rates attributable to activities:				
– water supply (excluding metered water supply rates)	18,958	17,492	18,958	17,492
– wastewater	21,831	19,856	21,831	19,856
– recycling	3,640	1,357	3,640	1,357
– refuse collection	5,615	-	5,615	-
– green waste collection	384	-	384	-
– Jackson street programme	144	139	144	139
Total rates (excluding metered water supply rates)	130,880	114,004	130,462	113,625

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by council from other authorities for services provided by that council for which those other local authorities rate. The annual rates income for the council for the year ended 30 June 2022 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 Long Term Plan 2021-2031) allows Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital and land protected for historical or cultural purposes, provided the property is used for community benefit and not for surplus. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Total gross rates, excluding targeted water supply rates	131,304	114,382	130,886	114,003
Rates remissions:				
– Pan remissions	331	301	331	301
– Sports bodies and other	49	46	49	46
– Transition remissions	21	-	21	-
– Penalty remissions	23	31	23	31
Total rates remissions	424	378	424	378
Rates (net of remissions), excluding metered water supply rates	130,880	114,004	130,462	113,625

4. User charges and subsidies received

Accounting policy

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

Rental revenue

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

Water by meter

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

Parking fees and fines

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

Building and resource consent revenue (regulatory revenue)

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

Entry fees

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

Landfill fees (solid waste collection and disposal)

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

Waka Kotahi NZ Transport Agency subsidies

Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. This subsidy 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 the council provides, or is able to provide, the service for which the contribution was charged.

Vested assets

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

Sales of goods

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

Breakdown of user charges and subsidies received

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Fees, charges and metered water supply				
Rent	2,036	1,770	7,209	7,146
Water by meter	3,068	2,926	3,052	2,900
Parking fees	1,772	2,098	1,772	2,098
Service and entry fees	3,119	3,982	3,119	3,982
Solid waste collection and disposal	20,413	19,333	20,413	19,333
Other user charges	1,272	1,111	1,272	1,111
Regulatory revenue	9,733	12,536	9,733	12,536
Penalties	3,666	4,047	3,666	4,047
Total fees, charges and metered water supply	45,079	47,803	50,236	53,153
Subsidies and grants				
Waka Kotahi subsidies	8,272	15,188	8,272	15,188
Upper Hutt City Council	2,553	2,289	2,553	2,289
Other grants	12,115	3,400	12,115	3,400
Total subsidies and grants	22,940	20,877	22,940	20,877
Other revenue				
Dividends	3	4	3	4
Vested assets	3,621	2,170	3,621	2,170
Petrol tax	352	342	352	342
Sale of goods	322	472	581	652
Insurance proceeds	-	-	-	-
Miscellaneous revenue	5,203	3,825	5,133	3,809
Total other revenue	9,501	6,813	9,690	6,977

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

The increase level in "other grants" received in the current year is primarily due to \$7.5M from the Three Waters Stimulus Funding from Central Government.

5. Finance income and finance costs

Accounting policy

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

Borrowing / finance costs are recognised as an expense in the financial year in which they are incurred. Borrowing costs consist of interest and other costs that the council and 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Finance income				
Interest revenue				
– call and term deposits	497	285	535	302
– related party loans	407	699	-	-
Total finance income	904	984	535	302
Finance costs				
Interest expense				
– interest on bank borrowings	7,495	7,163	7,495	7,163
– related party borrowings	-	-	-	-
– discount unwind on provisions (note 22)	289	269	289	269
Fair value gains on hedging instruments				
– fair value hedging instruments	-	-	-	-
– fair value adjustment to bank borrowings	-	-	-	-
Total finance costs	7,784	7,432	7,784	7,432
Net finance costs	6,880	6,448	7,249	7,130

6. Gains and losses

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Non-financial instruments				
Property, plant and equipment gains/(losses) on disposal	1,335	3	2,420	2
Total non-financial instruments gains/(losses)	1,335	3	2,420	2
Financial instruments				
Gains/(Losses) on held for trading derivative financial instruments:				
– interest rate swaps	20,442	13,698	20,442	13,698
Total financial instruments gains/(losses)	20,442	13,698	20,442	13,698
Total gains/(losses)	21,777	13,701	22,862	13,700

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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Salaries and wages	37,948	36,175	39,428	37,313
Defined contribution plan employer contributions	1,012	951	1,052	979
Increase/(decrease) in employee entitlements/liabilities (refer note 21)	(2)	2,312	30	2,346
Other employee costs	1,125	379	1,164	519
Total employee costs	40,083	39,817	41,674	41,157

The Chief Executive received the following remuneration:

	2022			2021		
	Salary \$	Post Employment Benefits \$	Total Remuneration \$	Salary \$	Post Employment Benefits \$	Total Remuneration \$
Chief Executive	401,499	12,551	414,050	354,483	10,057	364,540

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

Employee staffing levels and remuneration

	Council		Group	
	2022	2021	2022	2021
Full-time equivalent salaried employees	464	386	478	399
Full-time equivalent waged and temporary employees	27	54	27	54
Total Full Time Equivalent	491	440	505	453
Total number of staff	678	637	692	650

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

The number of employees earning per annum

	Council		Group	
	2022	2021	2022	2021
Salary range				
\$200,000 – \$419,999	6	5	7	6
\$160,000 – \$199,999	8	6	9	6
\$140,000 – \$159,999	8	8	11	9
\$120,000 – \$139,999	33	20	33	22
\$100,000 – \$119,999	47	33	47	33
\$80,000 – \$99,999	85	75	88	77
\$60,000 – \$79,999	135	116	140	119
Less than \$59,999	356	374	357	378
Total	678	637	692	650

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

Transactions with key management personnel

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

	Council & Group	
	2022 \$000	2021 \$000
Key management personnel costs		
Salary and other short term benefits	1,260	1,351
Post-employment benefits	38	40
Other long-term benefits	-	-
Termination benefits	-	-
Total key management personnel costs	1,298	1,391
Total full time equivalent	5	5

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	
	2022 \$	2021 \$	2022 \$	2021 \$
Severance payments	-	113,259	-	113,259
Number of employees	-	5	-	5

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.

There were no severance payments for the current year.

8. Operating costs

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Auditors' fees – Audit New Zealand				
– for auditing the financial statements	217	226	318	345
– for auditing the Long Term Plan and Amendment	-	137	-	137
Auditors' fees – other auditors	31	-	31	-
Impairment of receivables	373	297	373	319
Directors' fees	-	-	149	139
Entertainment	4	16	4	16
Grants	554	499	554	499
Insurance	4,086	3,496	4,503	4,095
Inventories	296	357	8,910	13,633
Legal services	321	287	346	303
Other specialist services	8,346	6,213	8,591	6,410
Impairment of property, plant and equipment	-	1	-	1
Councillors remuneration	974	953	980	916
Minimum lease payments under operating leases	852	1,373	987	1,525
Operational contracts	28,844	23,133	28,979	23,223
Maintenance	7,538	6,907	8,108	7,655
GWRC bulk water charges	10,248	9,290	10,248	9,290
Energy costs	3,378	3,414	3,462	3,475
Other expenses	56,580	43,606	57,184	43,755
Total operating costs	122,642	100,205	133,727	115,736

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

		Council			Group		
		2022			2021		
		Remuneration \$	Directors' fees \$	Total remuneration \$	Remuneration \$	Directors' fees \$	Total remuneration \$
Mayor and councillors							
C Barry	**	158,000	-	158,000	151,980	-	151,980
G Barratt	From 30 Sep 2021	39,959	-	39,959	-	-	-
D Bassett	Up to 14 June 2021	-	-	-	63,219	-	63,219
J Briggs		81,324	-	81,324	67,340	-	67,340
K Brown		64,547	6,981	71,528	60,358	6,981	67,339
B Dyer		68,195	-	68,195	62,587	-	62,587
S Edwards		81,324	-	81,324	80,305	-	80,305
D Hislop		81,324	6,981	88,305	80,305	3,866	84,171
T Lewis		101,524	-	101,524	100,124	-	100,124
C Milne		54,540	-	54,540	60,358	2,416	62,774
A Mitchell		64,547	-	64,547	60,358	-	60,358
S Rasheed	Up to 27 May 2022	59,375	-	59,375	60,358	-	60,358
N Shaw		64,547	-	64,547	60,358	2,000	62,358
L Sutton		54,540	-	54,540	65,541	-	65,541
Total		973,746	13,962	987,708	973,191	15,263	988,454
Total number of representatives		13	2	13	13	4	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, Urban Plus Ltd and Hutt City Community Facilities Trust).

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

Under the Local Government Members (2021/22) Determination 2021, councillors may claim a childcare allowance of up to \$6,000 per child under 14 as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business. They may also claim a communications allowance of \$400 for private internet use and \$400 for private cellphone use.

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

	2022	2021
	\$	\$
Eastbourne Community Board:		
V Horrocks (Chair)	13,734	13,230
M Gibbons	6,867	6,758
B Moss	6,867	6,758
N Spedding	6,867	6,758
F Vickers	6,867	6,758
Total	41,202	40,262
Petone Community Board:		
P Hanna (Chair)	16,351	15,751
M Fisher	8,175	8,032
M Henderson	8,175	8,032
M Roberts	8,175	8,032
A Voutratzis	8,175	8,032
K Yung	8,175	8,032
Total	57,226	55,911
Wainuiomata Community Board:		
G Tupou (Chair)	17,224	16,591
D McKinley	8,612	8,461
T Stallworth	8,612	8,461
G Sue	8,612	8,461
S Tuala-Le'afa	8,612	8,461
J Winterburn	8,612	8,461
Total	60,284	58,896

Meeting attendance of elected representatives 2022

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

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

Briefings

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

Meeting attendance of elected representatives 2021

Meetings held July to December 2020	Council	Policy, finance & strategy	Communities and environment	Regulatory	Audit & risk	Long term plan/annual plan	Hutt Valley services
Number of meetings held	8	3	3	3	3	5	2
C Barry	8	3	3	3	3	5	-
D Bassett (up to 14 June 21)	7	3	2	-	1	4	-
J Briggs	8	3	2	3	3	5	1
K Brown	8	3	3	3	-	4	-
B Dyer	8	3	2	3	-	5	1
S Edwards	8	3	3	2	-	5	-
D Hislop	8	2	2	1	-	4	-
T Lewis	7	3	3	-	-	5	-
C Milne	7	2	1	-	1	3	-
A Mitchell	8	3	3	3	3	5	-
S Rasheed	6	2	2	2	-	3	1
N Shaw	8	2	3	2	3	5	2
L Sutton	8	3	3	3	-	5	1

Meetings held January to June 2021 (new committee structure)	Council	Policy, finance & strategy	Communities	Infrastructure & regulatory	Climate change & sustainability	Audit & risk	Long term plan/ annual plan	Hutt Valley services
Number of meetings held	8	2	2	2	2	2	5	2
C Barry	8	2	2	2	2	2	5	-
D Bassett (up to 14 June 21)	5	2	1	1	-	1	4	-
J Briggs	8	2	2	-	2	2	5	2
K Brown	7	2	2	2	2	-	5	-
B Dyer	8	2	2	2	-	-	5	2
S Edwards	8	2	2	-	1	2	5	-
D Hislop	8	2	2	2	-	-	5	-
T Lewis	8	2	2	-	2	-	5	-
C Milne	7	1	0	-	-	-	5	-
A Mitchell	8	2	2	2	2	2	5	-
S Rasheed	6	2	1	-	2	2	5	1
N Shaw	8	2	1	2	2	2	5	2
L Sutton	8	2	1	2	-	-	5	1

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

Briefings July 2020 to July 2021	Briefings
Number of briefings held	41
C Barry	39
D Bassett (up to 14 June 21)	9
J Briggs	31
K Brown	29
B Dyer	38
S Edwards	36
D Hislop	36
T Lewis	39
C Milne	14
A Mitchell	41
S Rasheed	31
N Shaw	32
L Sutton	23

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			
	2022 \$000	2021 \$000	2022 \$000	2021 \$000		
Components of tax expense						
Current tax expense	42	28	1,420	593		
Adjustments to current tax in prior years	(28)	-	(165)	(4)		
Deferred tax expense	-	-	(351)	712		
Tax expense/(benefit)	14	28	904	1,300		
Relationship between tax expense and accounting surplus						
Net surplus/(deficit) before tax	26,334	16,578	31,852	21,126		
Tax at 28%	7,374	4,642	8,919	5,915		
Plus/(less) tax effect of:						
Non-deductible expenditure	-	-	2	1		
Non-taxable revenue	(7,331)	(4,614)	(8,777)	(5,461)		
Tax on partnership share	-	-	1,024	1,581		
Group loss offset	-	-	-	1,197		
Prior period adjustment	(28)	-	(165)	(5)		
Reintroduction of tax depreciation on buildings	-	-	-	-		
Tax losses not previously recognised	-	-	-	(2,036)		
Deferred tax adjustment	-	-	(98)	108		
Tax expense/(benefit)	14	28	904	1,300		
Deferred tax asset/(liability)			Property, plant and equipment	Other provisions	Tax losses	Deferred tax asset/ (liability)
Council						
Balance at 30 June 2020	-	-	-	-	-	-
Balance at 30 June 2021	-	-	-	-	-	-
Balance at 30 June 2022	-	-	-	-	-	-
Group						
Balance at 30 June 2020	(3,037)	33	838	(2,166)		
Charged to surplus or deficit	119	7	(838)	(712)		
Charged to equity	(352)	-	-	(352)		
Balance at 30 June 2021	(3,270)	40	-	(3,230)		
Charged to surplus or deficit	303	11	-	314		
Charged to equity	300			300		
Balance at 30 June 2022	(2,667)	51	-	(2,616)		

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

Council has unrecognised tax losses available to carry forward of \$nil (2021: \$nil), with a tax effect of \$nil (2021: \$nil).

The Group has unrecognised tax losses available to carry forward of \$nil (2021: \$nil), with a tax effect of \$nil (2021: \$nil).

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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash at bank and on hand	23,832	2,491	26,087	4,621
Term deposits with maturities less than three months	-	-	-	-
Cash and Cash Equivalents	23,832	2,491	26,087	4,621

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value.

The total value of cash and cash equivalents within restricted reserves that can only be used for specified purposes, (as outlined in the relevant trust deeds) is \$62,000 (2021: \$61,000), as shown in note 24.

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

11. Debtors and other receivables

Accounting policy

Debtors and other receivables are initially measured at their face value, less any provision for uncollectibility/impairment.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

Breakdown of debtors and other receivables and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Rates receivable	5,542	4,453	5,542	4,453
Other receivables:				
– Amounts due from related parties (note 26)	117	407	-	-
– GST receivable	2,125	2,336	2,125	2,336
– Other receivables	14,983	12,653	15,274	12,703
Total other receivables	17,225	15,396	17,399	15,039
Gross debtors and other receivables	22,767	19,849	22,941	19,492
Less provision for impairment	(1,503)	(1,137)	(1,509)	(1,143)
Total debtors and other receivables	21,264	18,712	21,432	18,349
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	19,999	17,363	20,282	17,405
Receivables from exchange transactions - this includes outstanding amounts for commercial sales, fees and charges that have not been subsidised by rates	1,265	1,349	1,150	944
	21,264	18,712	21,432	18,349

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.

Uncollectibility / Impairment

Rates receivable

Council seldom provides for any impairment 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 4 months after the due date for payments. If payment has not been made within 3 months of the courts 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 (2021: \$nil).

Other receivables

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2021: \$nil).

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

Rates receivables

	2022			2021		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Rates receivable - council						
Not past due	-	-	-	-	-	-
Past due 1-60 days	4,550	-	4,550	3,502	-	3,502
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	992	-	992	951	-	951
Total	5,542	-	5,542	4,453	-	4,453
Rates receivable - group						
Not past due	-	-	-	-	-	-
Past due 1-60 days	4,550	-	4,550	3,502	-	3,502
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	992	-	992	951	-	951
Total	5,542	-	5,542	4,453	-	4,453
Other receivables - council						
Not past due	12,865	-	12,865	13,227	-	13,227
Past due 1-30 days	1,118	-	1,118	474	-	474
Past due 31-60 days	1,009	-	1,009	292	-	292
Past due >60 days	2,233	(1,503)	730	1,403	(1,137)	266
Total	17,225	(1,503)	15,722	15,396	(1,137)	14,259

	2022			2021		
	Gross \$000	Impairment \$000	Net \$000	Gross \$000	Impairment \$000	Net \$000
Other receivables - group						
Not past due	12,858	-	12,858	12,849	-	12,849
Past due 1-30 days	1,137	-	1,137	476	-	476
Past due 31-60 days	1,019	-	1,019	295	-	295
Past due >60 days	2,240	(1,509)	731	1,417	(1,147)	270
Total	17,339	(1,509)	15,745	15,036	(1,147)	13,890
Total receivables - council	22,767	(1,503)	21,264	19,849	(1,137)	18,712
Total receivables - group	22,941	(1,509)	21,432	19,489	(1,143)	18,349

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

The impairment provision has 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Individual impairment	315	233	315	238
Collective impairment	1,188	904	1,194	905
Total provision for impairment	1,503	1,137	1,509	1,143

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.

Movements in the provisions for impairment of receivables are as follows:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
At 1 July	1,137	906	1,143	916
Additional provisions made during the year	366	231	366	231
Provisions reversed during the year	-	-	-	(4)
Receivables written-off during the period	-	-	-	-
At 30 June	1,503	1,137	1,509	1,143

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

12. Derivative financial instruments

Accounting policy

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Non-current asset portion				
Interest rate swaps - held for hedging	2,648	-	2,648	-
<i>Total non-current asset portion</i>	2,648	-	2,648	-
Total derivative financial instrument assets	2,648	-	2,648	-
Non-current liability portion				
Interest rate swaps - held for hedging	663	18,458	663	18,458
<i>Total non-current liability portion</i>	663	18,458	663	18,458
Total derivative financial instrument liabilities	663	18,458	663	18,458
Total derivative financial instruments	1,985	(18,458)	1,985	(18,458)

Fair value

The fair value of interest rate swaps has been determined using a discounted cash flows valuation technique based on quoted market prices as required by PBE IPSAS 29 Financial Instruments – Recognition and Measurement. The interest rates swaps were independently valued at 30 June 2022 by Hedgebook Limited.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for council and group were \$133 million (2021: \$133 million). At 30 June 2022, the fixed interest rates of interest rate swaps vary from 1.82% to 5.09% (2021: 1.82% to 5.20%).

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.

Breakdown of inventory and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Commercial inventories held for sale:				
Diesel	2	2	29	21
Emission trading units	2,850	772	2,850	772
Inventory	129	122	129	122
Commercial property developments	-	-	17,253	15,561
Total inventories	2,981	896	20,261	16,476

No inventories are pledged as security for liabilities (2021: \$nil). However, some inventories are subject to retention of title clauses. Commercial inventories are valued at cost, as there are no impairments of inventories.

14. Property plant and equipment

Critical accounting estimates and assumptions

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

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

Experienced independent valuers perform council's infrastructural asset revaluations.

Critical judgements in applying accounting policies

Classification of pensioner housing properties

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

Independent valuer and key assumptions

Water, wastewater and stormwater – Key valuation assumptions

- Construction costs based on unit rates reflect the costs of replacing assets.
- Useful lives of assets are calculated based on information provided by Wellington Water Limited.
- The capital goods price index (CGPI) was used where indexation 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 3 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 judgement based on consideration of recent replacement costs, knowledge of the network and other information available at the time of the valuation.

Road – Key valuation assumptions

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

Operational land, buildings and site improvements – Key valuation assumptions

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

Collection items – Works of art – Key valuation assumptions

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

Accounting policy

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

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

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

The Hutt Valley and Wainuiomata bulk wastewater system is managed by council. Upper Hutt City Council (UHCC) pays an annual levy to the council based on an apportionment formula equating to between 29 per cent and 33 per cent of the funding requirements. While UHCC does not have legal ownership of the bulk wastewater system, it is entitled to a share of the proceeds from any sale of the assets.

UHCC's interest in the bulk wastewater system assets is deducted from the value of property, plant and equipment recognised in the Statement of Financial Position. Funding contributions from UHCC are recognised as revenue in the surplus or deficit if the contributions are for the operation of the bulk wastewater system. Funding contributions for capital work are recognised as an increase in UHCC's interest in the bulk wastewater system assets.

Impairment of property, plant and equipment

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If an asset's carrying amount exceeds its recoverable amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. For revalued assets, the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in surplus or deficit.

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

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

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

Council 2022	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Operational assets							
Land	52,900	-	52,900	395	5	-	-
Site improvements	31,213	(1,359)	29,855	1,244	-	-	-
Buildings	156,773	(4,977)	151,796	1,232	-	-	-
Landfill assets	49,307	(7,204)	42,103	2,956	-	-	-
Library books	8,328	(5,145)	3,183	763	-	-	-
Plant and equipment	24,592	(12,354)	12,237	872	-	(457)	-
Vehicles	1,499	(690)	809	887	-	-	-
Wharves	11,716	(2,669)	9,047	98	-	-	-
Breakwaters	4,852	(58)	4,794	-	-	-	-
Total	341,180	(34,456)	306,724	8,447	5	(457)	-
Collection assets							
Public art collections	2,194	-	2,194	-	-	-	-
Other collection items	13,075	-	13,075	55	-	-	-
Petone Settlers	219	-	219	-	-	-	-
Total collections	15,488	-	15,488	55	-	-	-
Total operational assets	356,668	(34,456)	322,212	8,502	5	(457)	-
Infrastructural assets							
Waste water system	201,533	(7,899)	193,634	4,881	734	-	-
Waste water treatment plant	43,659	(2,522)	41,137	25	-	-	-
Less UHCC share in HVS assets	(42,391)	1,892	(40,499)	(3,810)	-	-	-
Total	202,801	(8,529)	194,272	1,096	734	-	-
Land	20,359	-	20,359	51	-	-	-
Land under roads	145,759	-	145,759	-	411	-	-
Storm water system	195,473	(4,789)	190,684	1,994	559	-	-
Water supply system	116,282	(4,547)	111,735	4,166	735	-	-
Roading network	469,447	(15,636)	453,811	10,575	1,003	-	-
Seawalls	4,784	(81)	4,703	-	-	-	-
Total infrastructural assets	1,154,905	(33,583)	1,121,323	17,882	3,442	-	-
Restricted assets							
Land	137,333	-	137,333	-	174	(132)	-
Total restricted assets	137,333	-	137,333	-	174	(132)	-
Total property, plant and equipment	1,648,906	(68,039)	1,580,867	26,384	3,621	(589)	-

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

Council 2021

	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	52,895	-	52,895	5	-	-	
Site improvements	25,215	(100)	25,116	5,998	-	-	
Buildings	117,909	(373)	117,536	38,890	-	(26)	
Landfill assets	46,074	(6,043)	40,031	3,243	-	(10)	
Library books	7,632	(4,288)	3,344	696	-	-	
Plant and equipment	18,689	(10,643)	8,046	6,144	-	(241)	
Vehicles	1,336	(652)	684	264	-	(101)	
Wharves	6,879	(2,476)	4,403	4,837	-	-	
Breakwaters	4,852	(4)	4,848	-	-	-	
Total	281,481	(24,579)	256,903	60,077	-	(378)	-
Collection assets							
Public art collections	2,194	-	2,194	-	-	-	
Other collection items	13,017	-	13,017	58	-	-	
Petone Settlers	219	-	219	-	-	-	
Total collections	15,430	-	15,430	58	-	-	-
Total operational assets	296,911	(24,579)	272,333	60,135	-	(378)	-
Infrastructural assets							
Waste water system	196,356	(585)	195,771	4,659	518	-	-
Waste water treatment plant	39,821	(178)	39,643	3,838	-	-	
Less UHCC share in HVS assets	(39,946)	137	(39,809)	(2,445)	-	-	-
Total	196,231	(626)	195,605	6,052	518	-	-
Land	20,359	-	20,359	-	-	-	
Land under roads	145,616	-	145,616	-	143	-	
Storm water system	191,912	(358)	191,554	3,048	513	-	
Water supply system	112,895	(334)	112,561	3,106	281	-	
Roading network	447,805	(1,197)	446,608	21,042	600	-	
Seawalls	4,784	(6)	4,778	-	-	-	
Total infrastructural assets	1,119,602	(2,521)	1,117,081	33,248	2,055	-	-
Restricted assets							
Land	137,230	-	137,230	-	115	(12)	
Total restricted assets	137,230	-	137,230	-	115	(12)	-
Total property, plant and equipment	1,553,743	(27,100)	1,526,644	93,383	2,170	(390)	-

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
		-	-		-	52,900	-	52,900
		-	-		(1,259)	31,213	(1,359)	29,855
		-	-		(4,604)	156,773	(4,977)	151,796
		-	-		(1,161)	49,307	(7,204)	42,103
		-	-		(857)	8,328	(5,145)	3,183
	120	-	-		(1,831)	24,592	(12,354)	12,237
	101	-	-		(139)	1,499	(690)	809
		-	-		(193)	11,716	(2,669)	9,047
		-	-		(54)	4,852	(58)	4,794
-	221	-	-	-	(10,098)	341,180	(34,456)	306,724
					-	2,194	-	2,194
					-	13,075	-	13,075
					-	219	-	219
-	-	-	-	-	-	15,488	-	15,488
-	221	-	-	-	(10,098)	356,668	(34,456)	322,212
					(7,314)	201,533	(7,899)	193,634
					(2,344)	43,659	(2,522)	41,137
-	-	-	-	-	1,755	(42,391)	1,892	(40,499)
-	-	-	-	-	(7,903)	202,801	(8,529)	194,272
					-	20,359	-	20,359
					-	145,759	-	145,759
					(4,431)	195,473	(4,789)	190,684
					(4,213)	116,282	(4,547)	111,735
					(14,439)	469,447	(15,636)	453,811
					(75)	4,784	(81)	4,703
-	-	-	-	-	(31,061)	1,154,905	(33,583)	1,121,323
						137,333	-	137,333
-	-	-	-	-	-	137,333	-	137,333
-	221	-	-	-	(41,159)	1,648,906	(68,039)	1,580,867

Group 2022	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Operational assets							
Land	52,900	-	52,900	395	5	-	-
Site improvements	31,213	(1,359)	29,855	1,244	-	-	-
Buildings	156,773	(4,977)	151,796	1,232	-	-	-
Landfill assets	49,307	(7,204)	42,103	2,956	-	-	-
Library books	8,328	(5,145)	3,183	763	-	-	-
Plant and equipment	24,592	(12,354)	12,237	872	-	(457)	-
Vehicles	1,499	(690)	809	887	-	-	-
Wharves	11,716	(2,669)	9,047	98	-	-	-
Breakwaters	4,852	(58)	4,794	-	-	-	-
Seaview marina	10,705	(1,810)	8,895	77	-	(4)	-
Piers and berths	4,943	(2,031)	2,912	1,332	-	-	-
Urban Plus land	22,514	-	22,514	-	-	-	-
Urban Plus buildings	19,154	(79)	19,075	380	-	-	-
Urban Plus other assets	64	(24)	40	-	-	(17)	-
Total	398,560	(38,400)	360,160	10,236	5	(478)	-
Collection Assets							
Public art collection	2,194	-	2,194	-	-	-	-
Other collection items	13,075	-	13,075	55	-	-	-
Petone Settlers	219	-	219	-	-	-	-
Total collections	15,488	-	15,488	55	-	-	-
Total operational assets	414,048	(38,400)	375,648	10,291	5	(478)	-
Infrastructural assets							
Waste water system	201,533	(7,899)	193,634	4,881	734	-	-
Waste water treatment plant	43,659	(2,522)	41,137	25	-	-	-
Less UHCC share in HVS assets	(42,391)	1,892	(40,499)	(3,810)	-	-	-
Total	202,801	(8,529)	194,272	1,096	734	-	-
Land	20,359	-	20,359	51	-	-	-
Land under roads	145,759	-	145,759	-	411	-	-
Storm water system	195,473	(4,789)	190,684	1,994	559	-	-
Water supply system	116,282	(4,547)	111,735	4,166	735	-	-
Roading network	469,447	(15,636)	453,811	10,575	1,003	-	-
Seawalls	4,784	(81)	4,703	-	-	-	-
Total infrastructural assets	1,154,905	(33,583)	1,121,323	17,882	3,442	-	-
Restricted assets							
Land	137,333	-	137,333	-	174	(132)	-
Total restricted assets	137,333	-	137,333	-	174	(132)	-
Total property, plant and equipment	1,706,286	(71,983)	1,634,306	28,173	3,621	(610)	-

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
3,805	-	-	-	-	-	57,105	-	57,105
(4,392)	-	2,823	-	-	(1,588)	28,065	(124)	27,942
(15,277)	-	10,140	-	-	(5,589)	142,728	(426)	142,302
-	-	-	-	-	(1,240)	52,263	(8,444)	43,819
-	-	-	-	-	(834)	9,091	(5,979)	3,112
-	445	-	-	-	(2,185)	25,007	(14,094)	10,912
-	-	-	-	-	(198)	2,386	(888)	1,498
-	-	-	-	-	(299)	11,814	(2,968)	8,846
395	-	108	-	-	(54)	5,247	(4)	5,243
9,365	-	931	-	-	(296)	20,143	(1,175)	18,968
-	-	-	-	-	(190)	6,275	(2,221)	4,054
8,933	-	-	-	-	-	31,447	-	31,447
(2,740)	-	969	-	-	(957)	16,794	(67)	16,727
-	16	-	-	-	(10)	47	(18)	29
89	461	14,971	-	-	(13,440)	408,412	(36,408)	372,003
90	-	-	-	-	-	2,284	-	2,284
2,018	-	-	-	-	-	15,148	-	15,148
22	-	-	-	-	-	241	-	241
2,130	-	-	-	-	-	17,673	-	17,673
2,219	461	14,971	-	-	(13,440)	426,085	(36,408)	389,676
10,328	-	14,865	-	-	(7,628)	217,476	(662)	216,814
(4,477)	-	5,191	-	-	(2,847)	39,207	(178)	39,029
2,876	-	(3,677)	-	-	1,931	(43,325)	146	(43,179)
8,727	-	16,379	-	-	(8,544)	213,358	(694)	212,664
4,647	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,170	-	146,170
88,172	-	8,933	-	-	(4,588)	286,198	(444)	285,754
(6,344)	-	8,550	-	-	(4,425)	114,839	(422)	114,417
14,882	-	29,842	-	-	(15,535)	495,907	(1,329)	494,578
30	-	149	-	-	(75)	4,814	(7)	4,807
110,114	-	63,853	-	-	(33,167)	1,286,343	(2,896)	1,283,447
6,609	-	-	-	-	-	143,984	-	143,984
6,609	-	-	-	-	-	143,984	-	143,984
118,942	461	78,824	-	-	(46,607)	1,856,412	(39,304)	1,817,109

Group 2021

	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	52,895	-	52,895	5	-	-	-
Site improvements	25,215	(100)	25,116	5,998	-	-	-
Buildings	117,909	(373)	117,536	38,890	-	(26)	-
Landfill assets	46,074	(6,043)	40,031	3,243	-	(10)	-
Library books	7,632	(4,288)	3,344	696	-	-	-
Plant and equipment	18,689	(10,643)	8,046	6,144	-	(241)	-
Vehicles	1,336	(652)	684	264	-	(101)	-
Wharves	6,879	(2,476)	4,403	4,837	-	-	-
Breakwaters	4,852	(4)	4,848	-	-	-	-
Seaview Marina	9,886	(1,555)	8,331	822	-	(3)	-
Piers and berths	4,464	(1,866)	2,598	479	-	-	-
Urban Plus land	21,419	-	21,419	-	-	(420)	-
Urban Plus buildings	19,040	(72)	18,968	18	-	(290)	-
Urban Plus other assets	24	(20)	4	40	-	-	-
Hutt City Community Facilities Trust buildings	38,397	(73)	38,324	381	-	(37,394)	107
Hutt City Community Facilities Trust site improvements	2,668	(9)	2,659	-	-	(2,553)	-
Hutt City Community Facilities Trust equipment	253	(47)	206	-	-	(146)	(107)
Total	377,632	(28,221)	349,412	61,817	-	(41,184)	-
Collection Assets							
Public art collection	2,194	-	2,194	-	-	-	-
Other collection items	13,017	-	13,017	58	-	-	-
Petone Settlers	219	-	219	-	-	-	-
Total collections	15,430	-	15,430	58	-	-	-
Total operational assets	393,062	(28,221)	364,842	61,875	-	(41,184)	-
Infrastructural assets							
Waste water system	196,356	(585)	195,771	4,659	518	-	-
Waste water treatment plant	39,821	(178)	39,643	3,838	-	-	-
Less UHCC share in HVS assets	(39,946)	137	(39,809)	(2,445)	-	-	-
Total	196,231	(626)	195,605	6,052	518	-	-
Land	20,359	-	20,359	-	-	-	-
Land under roads	145,616	-	145,616	-	143	-	-
Storm water system	191,912	(358)	191,554	3,048	513	-	-
Water supply system	112,895	(334)	112,561	3,106	281	-	-
Roading network	447,805	(1,197)	446,608	21,042	600	-	-
Seawalls	4,784	(6)	4,778	-	-	-	-
Total infrastructural assets	1,119,602	(2,521)	1,117,081	33,248	2,055	-	-
Restricted assets							
Land	137,230	-	137,230	-	115	(12)	-
Total restricted assets	137,230	-	137,230	-	115	(12)	-
Total property, plant and equipment	1,649,894	(30,742)	1,619,153	95,123	2,170	(41,196)	-

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	-	-	-	-	-	52,900	-	52,900
-	-	-	-	-	(1,259)	31,213	(1,359)	29,855
-	-	-	-	-	(4,604)	156,773	(4,977)	151,796
-	-	-	-	-	(1,161)	49,307	(7,204)	42,103
-	-	-	-	-	(857)	8,328	(5,145)	3,183
-	120	-	-	-	(1,831)	24,592	(12,354)	12,237
-	101	-	-	-	(139)	1,499	(690)	809
-	-	-	-	-	(193)	11,716	(2,669)	9,047
-	-	-	-	-	(54)	4,852	(58)	4,794
-	2	-	-	-	(257)	10,705	(1,810)	8,895
-	-	-	-	-	(165)	4,943	(2,031)	2,912
1,515	-	-	-	-	-	22,514	-	22,514
386	12	875	-	-	(894)	19,154	(79)	19,075
-	-	-	-	-	(4)	64	(24)	40
(1,491)	-	921	-	(25)	(823)	-	-	-
(115)	-	114	-	-	(105)	-	-	-
-	42	-	-	25	(20)	-	-	-
295	277	1,910	-	-	(12,366)	398,560	(38,400)	360,160
-	-	-	-	-	-	2,194	-	2,194
-	-	-	-	-	-	13,075	-	13,075
-	-	-	-	-	-	219	-	219
-	-	-	-	-	-	15,488	-	15,488
295	277	1,910	-	-	(12,366)	414,048	(38,400)	375,648
-	-	-	-	-	(7,314)	201,533	(7,899)	193,634
-	-	-	-	-	(2,344)	43,659	(2,522)	41,137
-	-	-	-	-	1,755	(42,391)	1,892	(40,499)
-	-	-	-	-	(7,903)	202,801	(8,529)	194,272
-	-	-	-	-	-	20,359	-	20,359
-	-	-	-	-	-	145,759	-	145,759
-	-	-	-	-	(4,431)	195,473	(4,789)	190,684
-	-	-	-	-	(4,213)	116,282	(4,547)	111,735
-	-	-	-	-	(14,439)	469,447	(15,636)	453,811
-	-	-	-	-	(75)	4,784	(81)	4,703
-	-	-	-	-	(31,060)	1,154,905	(33,583)	1,121,323
-	-	-	-	-	-	137,333	-	137,333
-	-	-	-	-	-	137,333	-	137,333
295	277	1,910	-	-	(43,426)	1,706,286	(71,983)	1,634,306

Valuation

Operational and restricted land and buildings

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

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

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

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

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

Infrastructural assets (excluding land under roads)

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

Council, through Wellington Water Limited, provided established asset groupings and further to these groupings, asset component classifications levels. Aon have used council asset groupings and asset component levels to establish a level of valuation. Physical inspections of a sample of all asset types

were undertaken. During the site inspections, and whilst at the Wellington Water Limited offices, the valuer systematically inspected and documented each asset type, including key technical details, age, life and the assets' remaining useful lives.

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

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

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

The most recent independent valuations for infrastructural assets (excluding land under roads) was performed by Peter Erceg and Roger Khoo (MPINZ), of Aon Risk Solutions, and the valuation is effective as at 31 May 2022. This valuation recorded a larger than expected movement and was attributed to the current supply markets of the infrastructural assets having been impacted by the uncertainty that the COVID-19 outbreak has caused. Market conditions are changing rapidly at present driven by the impact of inflation and supply chain issues. The past 24 months have seen a sharp increase in construction, materials and equipment prices, with Producer Price Indexes globally displaying this trend. Global forces driving prices up include shipping capacity and container shortages, stimulus packages ensuring demand remains high, steel demand, which is set to continue to grow into 2023, exacerbated by a dwindling scrap supply from Russia and Ukraine, and price rises to offset losses linked to the pandemic, and ongoing asset shortages as a result of lockdowns.

Locally the general price increase ranges from 1.75% to 31.2%, depending on 'Asset Type'. For council, three waters assets replacement cost has increased by approximately 15.1%.

Council’s most recent estimate of the replacement cost of infrastructural assets at 31 May 2022:

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

Service concession arrangements

The service concession arrangement assets consist of the waste water 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 \$40.9M (2021: \$43.1M)

Collection items

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

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

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

Assets held by Subsidiaries

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

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

Assets under construction

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

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Water systems	29,134	10,240	29,134	10,240
Roading network	824	-	824	-
Landfills	257	184	257	184
Land and site improvements	11,552	10,093	11,552	10,093
Buildings	9,188	418	9,188	418
Other	7,766	2,576	8,393	7,355
Total assets under construction	58,721	23,511	59,353	28,290

15. Intangible Assets

Accounting policy

Software acquisition and development

Acquired computer software licenses 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 the council's website are recognised as an expense when incurred.

Software as a Service (SaaS)

Costs associated with software developed and used under a SaaS arrangement are expenses when incurred in instances where the rights of ownership of the software does not transfer to the council or group.

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

Resource consents

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

Amortisation

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

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

	Years	Percentages
Computer software	2–10	10–52.55
Resource Consents	12–29	3.33–7.86

Impairment of intangible assets

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

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

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

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

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Council 2022							
Software	2,854	(2,538)	316	145	-	(260)	-
Resource consents	1,981	(1,204)	777	-	-	-	-
	4,835	(3,742)	1,093	145	-	(260)	-
Council 2021							
Software	2,875	(2,388)	487	125	-	(146)	-
Resource consents	1,981	(1,136)	845	-	-	-	-
	4,856	(3,524)	1,332	125	-	(146)	-
Group 2022							
Software	2,915	(2,588)	327	145	-	(260)	-
Resource consents	1,982	(1,207)	775	-	-	-	-
	4,897	(3,795)	1,102	145	-	(260)	-
Group 2021							
Software	2,928	(2,438)	490	133	-	(146)	-
Resource consents	1,982	(1,139)	843	-	-	-	-
	4,910	(3,577)	1,333	133	-	(146)	-

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	258	-	-	-	(139)	2,739	(2,419)	320
-	-	-	-	-	(68)	1,981	(1,272)	709
-	258	-	-	-	(207)	4,720	(3,691)	1,029
-	145	-	-	-	(295)	2,854	(2,538)	316
-	-	-	-	-	(68)	1,981	(1,204)	777
-	145	-	-	-	(363)	4,835	(3,742)	1,093
-	258	-	-	-	(142)	2,800	(2,472)	328
-	-	-	-	-	(68)	1,982	(1,275)	707
-	258	-	-	-	(210)	4,782	(3,747)	1,035
	145				(295)	2,915	(2,588)	327
					(68)	1,982	(1,207)	775
-	145	-	-	-	(363)	4,897	(3,795)	1,102

16. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2022 \$000	Actual 2021 \$000
Directly attributable depreciation and amortisation expense by activity (group of activity)		
Environmental wellbeing		
Water supply	4,425	4,213
Wastewater	8,867	8,228
Stormwater	4,588	4,431
Solid waste	1,596	1,175
Sustainability and resilience	13	5
Regulatory services	103	61
Economic wellbeing		
Transport	15,676	14,572
City development	12	-
Social and cultural wellbeing		
Community partnering and support	1,364	863
Open spaces, parks, and reserves	3,092	2,218
Connectivity, creativity, learning and recreation	4,421	4,501
Governance, strategy and partnerships	6	6
Corporate services	1,206	1,255
Total directly attributable depreciation and amortisation expense by group of activity	45,369	41,528
Depreciation and amortisation not directly attributable by group of activity	-	-
Total depreciation and amortisation expense	45,369	41,528

The comparative 2021 figures have been restated to align with the group of activities outlined in the council's 10-year long-term plan.

17. 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 20% (2021: 20%).

2021 and 2022	Shares on issue	Hutt City Council	Wellington City Council	Upper Hutt Council	Porirua City Council	Greater Wellington Regional Council	South Wairarapa District Council
Class A shares (voting entitlements)	900	150	150	150	150	150	150
		17%	17%	17%	17%	17%	17%
Class B shares (financial entitlements)	500	100	200	40	60	75	25
		20%	40%	8%	12%	15%	5%

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

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Wellington Water Limited				
Balance at beginning of the year	200	200	374	291
New shares issued	-	-	-	-
B shares sold	-	-	-	-
Share of operating surplus / (deficit)	-	-	507	83
Balance at end of year	200	200	881	374

	Total Wellington Water Ltd		Group share	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Revenue	302,599	226,288	60,520	45,258
Expenditure	299,225	225,746	59,845	45,150
Surplus (Deficit) before taxation	3,374	542	675	108
Taxation (Expense)/ benefit	(838)	(127)	(168)	(25)
Surplus (Deficit) after taxation	2,536	415	507	83
Assets	60,430	55,361	12,086	11,072
Liabilities	55,905	53,372	11,181	10,674
Equity	4,525	1,989	905	398

18. Other financial assets

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Non-current portion				
Investment in Council Controlled Organisations and other similar entities				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 30)	15,700	15,700	-	-
Unlisted shares in Local Government Funding Agency	100	100	100	100
Borrower Notes from Local Government Funding Agency	4,908	3,398	4,908	3,398
Total investment in Council Controlled Organisations and other similar entities	35,253	33,743	5,008	3,498
Investment in other entities				
NZ Local Government Insurance Company	455	455	455	455
Smartlinx 3 Limited	-	-	-	-
Community and development loans	-	-	-	-
Total investment in other entities	455	455	455	455
Total other financial assets - non-current portion	35,708	34,198	5,463	3,953
Total other financial assets	35,708	34,198	5,463	3,953

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

Unlisted shares

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

Impairment

There has been no impairment provision made on the investment in NZ Local Government Insurance Company (2021: \$nil).

19. Creditors and other payables

Accounting policy

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

Breakdown of creditors and other payables

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Trade and other payables	830	3,788	830	3,788
Deposits and bonds	518	460	520	461
Accrued expenses	24,995	25,012	25,250	25,509
Rates in advance	1,829	1,765	1,829	1,765
Amounts due to customers for contract work	1,528	1,492	1,685	1,560
Total creditors and other payables	29,700	32,517	30,114	33,083

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms, therefore the carrying value of creditors and other payables approximate their fair value.

All creditors and other payables are classified as exchange transactions.

20. Borrowings

Accounting policy

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

Borrowings are classified as current liabilities, unless the council or 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current portion				
Bank overdraft	-	-	-	-
Secured loans - Current	35,700	30,000	35,700	30,000
Total current portion	35,700	30,000	35,700	30,000
Non-current portion				
Secured loans - Non-current	220,000	185,700	220,000	185,700
Total non-current portion	220,000	185,700	220,000	185,700
Total borrowing	255,700	215,700	255,700	215,700

Maturity profile

	Interest cost		Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Years of Maturity						
Under 1 year	1,046	996	35,700	30,000	35,700	30,000
1 to 2 years	2,052	1,186	70,000	35,700	70,000	35,700
2 to 3 years	586	996	20,000	30,000	20,000	30,000
3 to 4 years	1,172	664	40,000	20,000	40,000	20,000
4 to 5 years	733	996	25,000	30,000	25,000	30,000
Over 5 years	1,905	2,325	65,000	70,000	65,000	70,000
Total borrowing	7,495	7,163	255,700	215,700	255,700	215,700

Secured loans

Council's debt of \$256 million (2021: \$216 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 0.70% to 4.524% (2021: 0.625% to 4.524%). Where the interest rate is floating, the rate is generally reset quarterly based on the 90-day bank bill rate plus a margin for credit.

Security

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

Council has \$35 million of wholesale advance facilities split between Westpac Banking Corporation for \$15 million (2021: \$15 million), and New Zealand Local Government Funding Agency for \$20 million (2021: \$20 million). As at 30 June a total of \$nil (2021: \$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 (2021: \$250,000). The facility is undrawn at balance date (2021: \$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.

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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current portion				
Accrued salaries and wages	656	434	656	434
Time in lieu	62	37	62	37
Annual leave	2,368	2,189	2,094	2,271
Annual leave – historical obligation *	2,078	2,466	2,479	2,479
Long service leave	42	35	47	40
Total current portion	5,206	5,161	5,338	5,261
Non-current portion				
Retirement gratuities	372	419	406	453
Total non-current portion	372	419	406	453
Total employee entitlements	5,578	5,580	5,744	5,714

* Like many NZ organisations, Council has had issues with the calculation of holiday pay to current and former employees, per the Holidays Act 2003. At 30 June 2021, based on an independent review by Ernst & Young, an estimate was made of the potential holiday pay liability. During the year, Council worked with a specialist payroll remediation firm to investigate the issues and calculate what may be owed to current and former employees. At 30 June 2022, the firm had not yet completed the calculations. In late July 2022, after calculations had been completed and tested, some initial payments were made to cover the March 2015 to March 2022 period of remediation. In 2022/23, further work will be undertaken by the firm and subsequent payments will be made for remediation periods April 2022 onwards.

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”.

Landfill post closure costs

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

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

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

Amounts provided for closure and post closure costs are capitalised to the landfill asset where they give rise to future economic benefits, or 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	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Provision for landfill aftercare	8,547	6,413	8,547	6,413
Total provisions	8,547	6,413	8,547	6,413
Current	524	342	524	342
Non-Current	8,023	6,071	8,023	6,071
Total provisions	8,547	6,413	8,547	6,413

Movements in provision

	Landfill aftercare	
	2022 \$000	2021 \$000
Balance at beginning of the year	6,413	5,973
Discount unwinding	289	269
Amounts charged to provision during the period	1,845	171
Balance at end of the year (non-current liability)	8,547	6,413

Landfill aftercare costs

Council has resource consents to operate the Silverstream Landfill. In addition to the Silverstream Landfill site, Council has an aftercare obligation for six additional closed landfill sites. Council has responsibility under the resource consents to provide on-going maintenance and monitoring of the landfills after the sites are closed. Closure responsibilities include final cover and application of vegetation, completing facilities for leachate collection, water quality and gas monitoring. The management of the landfills will influence the timing of recognition of some liabilities.

Council currently operates one landfill, Silverstream (stage 1 and 2). The stage 2 landfill is consented to be developed progressively with a total estimated airspace of 5.3 million cubic metres. The estimated available airspace in the completed section of the landfill is 161,000 cubic metres (2021: 310,000 cubic metres) with work underway to provide an additional 276,000 cubic meters over the next two years. Airspace usage is currently approximately 126,000 cubic metres (2021: 126,000 cubic metres) per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for twelve years, is projected to be approximately 33-37 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 twenty to thirty years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 5.0% (2021: 4.5%) and an inflation rate of 2.5% (2021: 2.0%).

The large increase in the provision in the current year is a result of i) an increased level of aftercare costs expected to be incurred over future periods the provision relates to, based on current actual spending, and ii) the earlier than expected closure of the Silverstream Landfill Stage 2 site, shortened by three years.

The provision is independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2022.

23. Other liabilities

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Other liabilities - current portion				
Accrued interest expenses	1,001	791	1,001	791
Third party funds	219	192	219	192
Emmission Trading Liability	1,140	300	1,140	300
Miscellaneous current liabilities	1,026	863	1,064	885
Income earned in advance	2,554	4,853	2,654	4,920
Development contributions	-	571	-	571
Total other liabilities	5,940	7,570	6,078	7,659

24. Equity

Accounting policy

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

- accumulated funds (comprehensive revenue and expenses)
- council-created reserves
- restricted reserves
- asset revaluation reserves.

Accumulated comprehensive revenue and expenses is council and group's accumulated surplus or deficit since the formation of the council, adjusted for transfers to/from specific reserves.

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

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

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

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

Breakdown of equity and further information

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Accumulated funds				
Balance at beginning of the year	685,230	634,409	695,211	677,178
Net assets on Amalgamation of Hutt City Community Facilities Trust		37,144	-	-
Deferred tax on revaluations	-	-	-	-
Interest allocated to reserves	(151)	(36)	(151)	(36)
Other adjustments	-	-	-	1,027
Other transfers to reserves	(7,053)	(3,325)	(7,053)	(3,325)
Transfers from reserves	400	489	400	542
Net surplus/(deficit) after tax	26,320	16,550	30,948	19,825
Accumulated funds – balance at end of the year	704,745	685,230	719,355	695,211
Council created reserves				
Balance at beginning of the year	27,695	24,823	27,695	24,876
Transfers to accumulated funds	(400)	(489)	(400)	(542)
Transfers from accumulated funds	7,053	3,325	7,053	3,325
Interest earned	151	36	151	36
Council created reserves – balance at end of the year	34,499	27,695	34,499	27,695

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Restricted reserves				
Balance at beginning of the year	61	61	61	61
Transfers to accumulated funds	-	-	-	-
Transfers from accumulated funds	-	-	-	-
Interest earned	1	-	1	-
Restricted reserves – balance at end of the year	62	61	62	61
Asset revaluation reserve				
Balance at beginning of the year	673,350	673,350	703,264	702,438
Changes in asset value – revaluation	180,310	-	197,725	2,206
Changes in asset value – impairment	-	-	-	-
Other adjustments	-	-	-	(1,027)
Deferred tax on revaluation	-	-	300	(353)
Asset revaluation reserve – balance at end of the year	853,660	673,350	901,289	703,264
Asset revaluation reserves consist of:				
Operational assets				
– buildings	55,620	60,758	63,056	68,673
– land	37,186	34,950	77,380	56,948
– collections	20,780	17,966	20,780	17,966
Infrastructure assets				
– land	15,481	10,833	15,481	10,833
– wastewater	127,653	102,547	127,653	102,547
– stormwater	190,599	93,494	190,599	93,494
– water	44,321	42,115	44,321	42,115
– road	284,105	239,381	284,105	239,381
Restricted assets				
– land	77,914	71,305	77,914	71,305
Total asset revaluation reserves	853,660	673,350	901,289	703,262
Total other reserves	888,220	701,106	935,850	731,020
Total equity	1,592,966	1,386,336	1,655,205	1,426,232

Assets and liabilities acquired from Hutt City Community Facilities Trust windup represents the assets and liabilities transferred upon the disestablishment of the Trust on the 30 June 2021 and include:

	2021 \$000
Cash and Cash Equivalents	383
Debtors	4
Prepayments	11
Property, plant and equipment	40,050
Creditors and Accruals	(23)
Borrowings	(3,281)
	37,144

25. Financial instruments

25A. Financial instruments categories

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

	Note	Council		Group	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial assets					
Fair value through surplus or deficit – held for hedging					
Derivative financial instrument assets	12.	2,648	-	2,648	-
Total fair value through surplus or deficit – held for hedging		2,648	-	2,648	-
Loans and receivables					
Cash and cash equivalents	10.	23,832	2,491	26,087	4,621
Debtors and other receivables	11.	21,264	18,712	21,432	18,349
Other financial assets:					
Loans to Related Parties	18.	15,700	15,700	-	-
Total loans and receivables		60,796	36,903	47,519	22,970
Held to maturity					
Other financial assets:					
– NZ Local Government Insurance Company	18.	455	455	455	455
– NZ Local Government Funding Agency	18.	5,008	3,498	5,008	3,498
Total held to maturity		5,463	3,953	5,463	3,953
Total financial assets		68,907	40,856	55,630	26,923
Financial liabilities					
Fair value through surplus or deficit – held for hedging					
Derivative financial instrument liabilities	12.	663	18,458	663	18,458
Total fair value through surplus or deficit – held for hedging		663	18,458	663	18,458
Financial liabilities at amortised cost					
Trade creditors and other payables	19.	29,700	32,517	30,114	33,083
Income tax payable	9.	42	28	1,558	593
Borrowings:					
– secured loans	20.	255,700	215,700	255,700	215,700
Total financial liabilities at amortised cost		285,442	248,245	287,372	249,376
Total financial liabilities		286,105	266,703	288,035	267,834

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.

	2022				2021			
	Valuation Technique			Total \$000	Valuation Technique			Total \$000
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000		Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000	
Council and Group								
Financial assets								
Derivatives	-	2,648	-	2,648	-	-	-	-
Shares	-	-	5,463	5,463	-	-	3,953	3,953
Financial liabilities								
Derivatives	-	663	-	663	-	18,458	-	18,458

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:

	2022 \$000	2021 \$000
Balance at 1 July	3,953	4,011
Gain and losses recognised in the surplus or deficit	-	-
Purchases	1,750	518
Sales	(240)	(576)
Balance at 30 June	5,463	3,953

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 (2021: \$nil).

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose council to fair value interest rate risk. Council's Treasury Risk Management policy outlines the level of borrowing that is to be secured using fixed interest rate instruments.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that the cash flows of a financial instrument will fluctuate because of changes in market interest rates. Borrowing and investments issued at variable interest rates expose council to cash flow interest rate risk. Generally, council raises long-term borrowings at floating rates and swaps them into fixed rates using interest rate swaps in order to manage the cash flow interest rate risk. Such interest rate swaps have the economic effect of converting borrowings at floating rates into fixed rates that are generally lower than those available if council borrowed at fixed rates directly. Under the interest rate swaps, council agrees with other parties to exchange, at specified intervals, the difference between fixed contract rates and floating rate interest amounts calculated by reference to the agreed notional principal amounts.

Credit risk

Credit risk is the risk that a third party will default on its obligation to council, causing council to incur a loss. Due to the timing of its cash flows and outflows, council at times invests surplus cash into bank and term deposits which gives rise to credit risk. Council investment policy limits the amount of credit exposure to any one financial institution or organisation. The group only 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		Group	
		2022 \$000	2021 \$000	2022 \$000	2021 \$000
Cash, cash equivalents and term deposits	10.	23,832	2,491	26,087	4,621
Debtors and other receivables	11.	21,264	18,712	21,432	18,349
Other assets	18.	455	455	455	455
Short term deposits with original maturities greater than three months	18.	-	-	-	-
Loans to related parties	18.	15,700	15,700	-	-
Financial guarantees	28.	35	43	35	43
Derivative financial instrument assets (interest rate swaps and options)	12.	2,648	-	2,648	-
Total credit risk		63,934	37,401	50,657	23,468

Council is exposed to credit risk as a guarantor of all of the LGFA's borrowings. Information about this exposure is explained in note 28.

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	23,832	2,491	26,087	4,621
Total cash at bank and term deposits	23,832	2,491	26,087	4,621
Derivative financial instrument assets				
AA-	2,648	-	2,648	-
Total derivative financial instrument assets	2,648	-	2,648	-
Counterparties without credit ratings				
Community and related party loans				
Existing counterparty with no defaults in the past	15,700	15,700	-	-
Total community, development and related party loans	15,700	15,700	-	-

Loans to related parties in the contractual maturity analysis contractual cash flows do not reflect the current year. \$15.7 million is non-current (2021: \$15.7 million non-current).

Debtors and other receivables mainly arise from council's statutory functions. Therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, 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 the council's long term plan. Council has a policy to maintain the overdraft facility to below \$250,000 at any one time, and has undrawn credit facilities totalling \$35 million (2021: \$35 million).

Contractual maturity analysis of financial liabilities

The table below analyses council's financial liabilities into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows. Financial guarantees are included in the time band containing the earliest date they can be called upon.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1–3 years	Between 3–5 years	Greater than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Council 2022						
Trade and other payables	830	830	830	-	-	-
Income tax payable	42	42	42	-	-	-
Secured loans	255,700	263,194	36,746	92,638	66,905	66,905
Financial guarantees	35	35	35	-	-	-
Total	256,607	264,101	37,653	92,638	66,905	66,905
Group 2022						
Trade and other payables	830	830	830	-	-	-
Income tax payable	1,558	1,558	1,558	-	-	-
Secured loans	255,700	263,194	36,746	92,638	66,905	66,905
Financial guarantees	35	35	35	-	-	-
Total	258,123	265,617	39,169	92,638	66,905	66,905
Council 2021						
Trade and other payables	3,788	3,788	3,788	-	-	-
Income tax payable	28	28	28	-	-	-
Secured loans	215,700	222,863	30,996	67,882	51,660	72,325
Financial guarantees	43	43	43	-	-	-
Total	219,559	226,722	34,855	67,882	51,660	72,325
Group 2021						
Trade and other payables	3,788	3,788	3,788	-	-	-
Income tax payable	593	593	593	-	-	-
Secured loans	215,700	222,863	30,996	67,882	51,660	72,325
Financial guarantees	43	43	43	-	-	-
Total	220,124	227,287	35,420	67,882	51,660	72,325

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 2022						
Cash and cash equivalents	23,832	23,832	23,832	-	-	-
Debtors and other receivables	21,264	21,264	21,264	-	-	-
Other financial assets:						
– loans to related parties	15,700	15,700	-	15,700	-	-
Total	60,796	60,796	45,096	15,700	-	-
Group 2022						
Cash and cash equivalents	26,087	26,087	26,087	-	-	-
Debtors and other receivables	21,432	21,432	21,432	-	-	-
Total	47,519	47,519	47,519	-	-	-
Council 2021						
Cash and cash equivalents	2,491	2,491	2,491	-	-	-
Debtors and other receivables	18,712	18,712	18,712	-	-	-
Other financial assets:						
– loans to related parties	15,700	15,700	-	15,700	-	-
Total	36,903	36,903	21,203	15,700	-	-
Group 2021						
Cash and cash equivalents	4,621	4,621	4,621	-	-	-
Debtors and other receivables	18,349	18,349	18,349	-	-	-
Total	22,970	22,970	22,970	-	-	-

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.

	2022				2021			
	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	(5,950)	-	17,141	-	(9,471)	-	8,675	-
Financial liabilities								
Borrowing:								
- short term loans	357	-	(357)	-	300	-	(300)	-
- term loans	2,010	-	(2,010)	-	1,667	-	(1,667)	-
Total sensitivity to interest rate risk	(3,583)	-	14,774	-	(7,504)	-	6,708	-

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 (2021: \$nil). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$nil (2021: \$nil).

Term loans

Council has term floating rate debt with a principal amount totalling \$135 million (2021: \$145 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1,350,000 (2021: \$1,450,000). A movement in market interest rates on fixed rate debt \$127 million (2021: \$71 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

26. Related party transactions

Council is the ultimate parent of the group and controls the following entities, 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 than those that it is reasonable to expect council and group would have adopted in dealing with the party at arms length in the same circumstances.

Related party disclosures have not 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.

For detailed information on related party transactions with key personnel and elected members, please refer to note 7 and 8.

27. Capital commitments and operating leases

Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Property, plant and equipment				
– 3 water networks	-	2,485	-	2,485
– Roading network	5,639	8,146	5,639	8,146
– Buildings	55,347	138	55,347	138
– Other	1,345	200	1,444	3,530
Intangible assets	-	-	-	-
Total capital commitments	62,331	10,969	62,430	14,299

Capital commitments represent capital expenditure contracted for at balance date but not yet incurred.

Operating leases as lessee

Council leases property, plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum leases payments payable under non-cancellable leases are as follows:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Not later than one year	274	400	420	442
Later than one year and not later than five years	25	228	160	237
Later than five years	-	-	-	-
Total non-cancellable operating leases	299	628	580	679

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2021: \$nil).

Leases can be renewed at council's option, with rents set by reference to current market rates for items of equivalent age and condition. Council does not have the option to purchase the asset at the end of the lease term.

There are no restrictions placed on council by any of the leasing arrangements.

Operating leases as lessor

Council leases property under operating leases. The majority of these leases have a non-cancellable term of 36 months, with the exception of housing leases that have a non-cancellable term of 22 working days. The future aggregate minimum leases payments payable under non-cancellable leases are as follows:

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Not later than one year	680	781	735	1,022
Later than one year and not later than five years	4,337	5,017	4,389	5,101
Later than five years	100	100	100	100
Total operating leases as lessor	5,117	5,898	5,224	6,223

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

28. Contingencies

Contingent liabilities

	Council		Group	
	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Financial guarantees	35	43	35	43
Total contingent liabilities	35	43	35	43

Financial guarantees

The value of financial guarantees disclosed as contingent liabilities reflects council's assessment of the undiscounted portion of financial guarantees owing by the other party to the guarantee as disclosed in their annual reports, that are not recognised in the statement of financial position, to local community groups. Council has recognised \$nil (2021: \$nil) financial guarantees in the statement of financial position.

Other legal proceedings

No information has been disclosed as any disclosure may seriously prejudice the outcome.

Unquantified claims

RiskPool provides public liability and professional indemnity insurance for its members. Council was a member of RiskPool until 30 June 2016. The trust deed of RiskPool provides that, if there is shortfall (whereby claims exceed contribution of members and reinsurance recoveries) in any fund year, then the board may make a call on members for that fund year. A liability will be recognised for the future calls when there is more certainty over the amount of the calls.

Associate's contingent liabilities

There are no material contingent liabilities associated with the Wellington Water Limited (associate) (2021: \$nil).

New Zealand Local Government Funding Agency (LGFA)

Council is a guarantor of LGFA. LGFA was incorporated in December 2011 with the purpose of providing debt funding to local authorities in New Zealand and it has a credit rating from Standard & Poor's of AAA.

Council is one of 30 local authority shareholders (with the NZ government being the other major shareholder) and 37 additional local authority guarantors of LGFA. LGFA has uncalled capital of \$20m of which council's share is \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, council is a guarantor of all of LGFA's borrowings. At 30 June 2022, LGFA had borrowings totalling \$16.77 billion (2021: \$14.42 billion).

Financial reporting standards require council to recognise the guarantee liability at fair value. However, council has been unable to determine a sufficiently reliable fair value for the guarantee, and therefore has not recognised a liability. Council considers the risk of LGFA defaulting on repayment of interest or capital to be very low on the basis that:

- it is not aware of any local authority debt default events in NZ; and
- local authority legislation would enable local authorities to levy a rate to recover sufficient funds to meet any debt obligations if further funds were required.

Contingent assets

Council operates a system whereby community services and sports clubs are able to construct facilities (e.g. club rooms) on reserve land. The community services and clubs control the use of these facilities and council will only gain control of the asset if the community service/club vacates the facility, no other organisation is willing to purchase the facility and it is not removed (per the lease agreement). Until these events occur these assets are not recognised as assets in the statement of financial position.

29. Major budget variations

Explanations for major variations from council's budgeted figures in the 2021–2022 annual plan 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 2022. The statement shows the operating revenue and expenditure as well as other transactions that have impacted on the council's and group's wealth. The following are the significant variances:

- Rates, excluding metered water supply rates is \$1.4M above budget is largely due to higher than planned for growth in the rating base together with other minor variances.
- Development and financial contributions is \$6.6M above budget due to the significant growth occurring in the city as well as impacts of council implementing a new Development and Financial Contributions Policy at the start of the year.
- Subsidies and grants \$3.6M below budget reflecting the lower than planned achievement of council's capital programme resulting in lower related subsidy revenue, including \$4.3M lower Waka Kotahi capital subsidies.
- Other revenue is \$3.5M above budget as a result of increased revenue from vested assets due the completion of a number of large subdivisions.
- Gain on revaluation of financial instruments is \$20.4M. This variance is a result of changing market conditions. Gains on revaluation are not budgeted for.
- Gain on disposal is \$1.3M. Gain on disposal are not budgeted for.
- Other expenses is \$5.7M above budget. This includes \$2.4M in three waters costs, primarily due to additional work funded by the Government's Three Waters Stimulus. A further \$1.8M resulted from increased costs provided for future landfill aftercare.
- Finance costs are \$1.2M above budget largely as a result of the rising interest rates.
- Depreciation costs are \$2.9M below budget primarily as a result of the lower than planned capital investment.
- The above have contributed to net surplus after tax of \$26.3M compared to a budget surplus after tax of \$0.5M.

- Gain/(Loss) on property revaluation is \$180.3M above budget. These figures represent the results of an earlier than expected revaluation cycle originally due and budgeted for 31 May 2023 (next financial year), however, this was brought forward to 31 May 2022 due to indicators of significant movements in asset values.
- The above has contributed to total comprehensive revenue and expenses surplus of \$206.2M compared to a budget surplus of \$0.5M.

The **statement of financial position** (that is, what council own and owe) is as at 30 June 2022. The following are significant variances in the statement of financial position:

- Cash and cash equivalents (including budgeted overdraft) is \$11.1M above budget as a result of prefunding \$10M April 23 loan maturity. Also refer to cash flow explanations.
- Debtors and other receivables is \$5.7M higher than budget mainly due to higher level of rates receivables and higher level of sundry debtors as a result of a large one-off debtor at year end relating to a sale of a property.
- Inventories are \$2.9M above budget. This relates to the purchase of and subsequent value increase of Emission Trading Unit holdings.
- Property, plant and equipment is \$175.8M above budget – due largely to the earlier revaluation movement in council owned fixed assets which was not included in the current year budget.
- Intangible assets is \$6.5M below budget. This is mainly due to Cloud software expenditure intended to be capitalised was transferred to license fees prepayments as the arrangement does not carry any ownership rights.
- Assets under construction is \$49.2M above budget. This is due to the delay in the completion and capitalisation of three water projects and the accumulation of costs associated with the RiverLink and Naenae Pool projects.
- Current and non-current borrowing is \$11.1M above budget. This is due to prefunding \$10M April 2023 loan maturity.
- Current and Non current derivative financial instruments liability is \$31.4M lower than budget. This is due to the revaluation of council's interest rate swap portfolio.
- Creditors and other payables are \$6.5M above budget. This is due to timing of payments to suppliers for operational and capital expenditure.
- The accumulation of the above results in Net Assets and Equity being \$249.1M above budgeted level.

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

- Cash in flow from operations \$2.9M above budget relates to lower level of payment to suppliers than expected in the budget.
- Cash out flow from Investing \$7M below budget relates to higher level of sale of property plant and equipment assets (\$2M) and lower level of purchase of intangible assets (\$6M)– refer to intangible asset comment above.
- Cash in flow from financing \$11.3M above budget relates to prefunding \$10M of April 2023 loan maturity.

Explanations for further budget variations are shown at the end of the financial performance statement for each activity.

30. Capital management

Council's capital is its equity (or ratepayers' funds), which comprise accumulated funds and reserves. Equity is represented by net assets.

The LGA requires council to manage its revenues, expenses, assets, liabilities, investments and general financial dealings prudently and in a manner that promotes the current and future interests of the community. Ratepayers' funds are managed largely as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the LGA and applied by council. Intergenerational equity requires today's ratepayers to meet the costs of utilising council's assets and not expecting them to meet the full cost of long term assets that will benefit ratepayers in future generations. Additionally council has in place asset management plans for major classes of assets detailing renewal and maintenance programmes to ensure ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The LGA requires the council to make adequate and effective provision in its long term plan (LTP) and annual plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in council's LTP.

Council has the following council created reserves:

- reserves for different areas of benefit
- trust and bequest reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Trust and bequest reserves are set up where council has been donated funds that are restricted for particular purposes. Interest is added to trust and bequest reserves where applicable and deductions are made where funds have been used for the purpose they were donated.

31. Events after the balance date

Three Waters Reform

In October 2021, the Government confirmed that it will introduce legislation to create four publicly owned water entities, and that the group's participation in the proposed reform will be mandatory. These will own and operate drinking water, wastewater and stormwater (three waters) services across New Zealand. The Department of Internal Affairs is tasked with the successful implementation of these reforms, and will work with the local government sector, iwi, water industry and other stakeholders to ensure a smooth transition to the new arrangements.

The legislation received royal assent from the Governor-General on 14 December 2022. The impact of these reforms will mean that Hutt City Council will no longer deliver three waters services or own the assets required to deliver these services. In December 2022, the Government introduced the Water Services Legislation Bill, which will transfer assets and liabilities to the water services entities.

The Water Services Entities Act creates four publicly owned water services entities that will take on responsibility for delivering water services to a specific geographical area, from 1 July 2024.

Further clarification of the transition to the new water services entities is expected to be released in legislation later in 2022 and 2023.

High level guidance has been issued that outlines which assets would transfer to the new entity, however there is not yet enough clarity to be able to quantify the financial impacts on asset values, revenue and associated debt with any certainty. As at 30 June 2022, the total stormwater infrastructure assets were \$285.8 million, wastewater infrastructure assets were \$212.7 million and water supply infrastructure assets were \$114.4 million (refer to note 14). Not all of these assets may transfer although the majority will, and other non-infrastructure assets may also transfer. The fair values of these assets have not been adjusted to reflect the transfer of assets. Once the transfer has been legislated and details around the mechanism for the transfer of the water assets and any compensation has been established, the values of these assets may require adjustment.

There have been no other significant events occurring after balance date.

Infrastructure Acceleration Funding

On 13 October 2022, the government announced that Hutt City Council has been successful in securing \$98.9M of funding from the Infrastructure Acceleration Fund. This is to fund projected capital investment costs of \$174.4M for stormwater and wastewater projects supporting growth on the valley floor.

32. Impact of COVID-19

Our capital investment plans have been impacted by the ongoing effects of COVID-19 with \$38M lower spend than budgeted. This was evident by ongoing supply chain constraints and the availability of contractors and staff to be able to implement the capital programme. Key areas of underspend in 2021-22 which have been carried over into future financial years include:

- \$7M underspend in the Petone Wharf refurbishment project which has been delayed while design and consent works are being completed.
- \$8M underspend in transport projects, including cycling and micro mobility, Tupua Horo Nuku, (Eastern Bays Shared Path), and resealing projects.
- \$10M underspend in three waters projects across a range of project areas.

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 practice (GAAP) information. New disclosures were added in legislative changes and additions to the Local Government (Financial Reporting and Prudence) Regulations 2014.

Insurance of assets

Asset type	Policy class	Total declared value	Maximum limit of liability
Buildings, plant and equipment and above ground infrastructure property (land, roading assets and bridges are not insured)	Material damage	447,412,391	Natural catastrophe: \$600 million any one loss or series of losses arising out of any one event and in annual aggregate for all four councils. All other losses: \$600 million any one loss or series of losses arising out of any one event for all four councils.
Underground infrastructure assets	Material damage - natural catastrophe only	1,403,685,809	Natural catastrophe: \$600 million each and every loss or series of losses arising out of any one event for all four Councils and limited to a \$350 million sublimit for HCC.
Residential property	Material damage	6,221,000	Natural catastrophe: First \$150,000 per unit to be recovered from the Earthquake Commission. Any remaining top up required per unit to a maximum of \$6,221,000 for 13 units. All other losses: Replacement value per unit to a maximum of \$6,221,000 for 13 units.
Motor vehicle	Comprehensive motor vehicle	3,046,602	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	27,612,793	Permanent collection: \$17,229,295 any one loss. Exhibitions and temporary loans, incoming and outgoing: Whilst at any unnamed location: \$1,500,000 any one loss. Transit limit: \$750,000 any one loss.

Rating base information

The Local Government Act (Amendment No.3) includes a clause 30A in Schedule 10. The information below satisfies the disclosure requirements of that clause as at 30 June 2022.

Rating system	Capital
Rateable units	41,494
Capital value of rating units	30,577,798,100
Total land value of rating units	16,916,748,000
Average rates per residential ratepayer	\$2,947

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.

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 2021 \$000	2022 \$000	2022 \$000	June 2022 \$000
Council-created reserves – purpose of the fund				
<i>Reserve purchase and development (parks and reserves activity):</i> To provide for the purchase of land for reserves purposes or the development of existing reserves. The fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the fund is to provide open space and recreational opportunity to offset the effects of land use intensification.	14,722	7,076	(400)	21,398
<i>Election fund (managing services activity):</i> To annually provide for the cost of council elections and by-elections.	150	-	-	150
<i>Landfills reserve (solid waste activity):</i> To set funds aside for the longer-term replacement of the landfill. This figure has been capped at \$12M.	12,000	-	-	12,000
<i>Waste minimisation reserve:</i> To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contracts.	276	109	-	385
<i>Wingate Landfill reserve (parks and reserves activity):</i> To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	179	2	-	181
<i>Wingate Park (parks and reserves activity):</i> To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	173	1	-	174
<i>Ex-Hillary Commission funds (aquatics and recreation):</i> To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	7	-	-	7
<i>Ex-Hutt City Community Facilities Trust – Fraser Park Turf long term asset repair and maintenance fund:</i> To provide for the long term maintenance of the named facility.	28	14	-	42
<i>Ex-Hutt City Community Facilities Trust – Ricoh Sport Centre long term asset repair and maintenance fund:</i> To provide for the long term maintenance of the named facility.	12	-	-	12
<i>Ex-Hutt City Community Facilities Trust – Naenae Bowls Centre long term asset repair and maintenance fund:</i> To provide for the long term maintenance of the named facility.	148	1	-	149
Totals	27,695	7,203	(400)	34,498

	Opening balance	Deposits	Expenditure	Closing balance
	July 2021 \$000	2022 \$000	2022 \$000	June 2022 \$000
Restricted reserves – purpose of the fund				
<i>Taita Cemetery – JV Bently (parks and reserves activity):</i> The Council is contracted to maintain Plot 32/33, block 7, St James section in perpetuity. The plots contain Issac Young, Eliza Young and AG Talbut.	3	-	-	3
<i>Lavelle tree bequest (parks and reserves activity):</i> To provide for the planting of trees in and around Lower Hutt on major thoroughfares.	33	1	-	34
<i>ML Talbut Bequest (parks and reserves activity):</i> To provide for the planting and maintenance of reserves.	14	-	-	14
<i>Eastbourne Arts Trust (museums activity):</i> To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.	11	-	-	11
Totals	61	1	-	62

Paerewa matawhāiti

Prudence benchmarks

The purpose of this section is to disclose the Hutt City Council's financial performance in relation to various benchmarks and assess whether the Council has prudently managed revenues, expenses, assets, liabilities and general financial dealings.

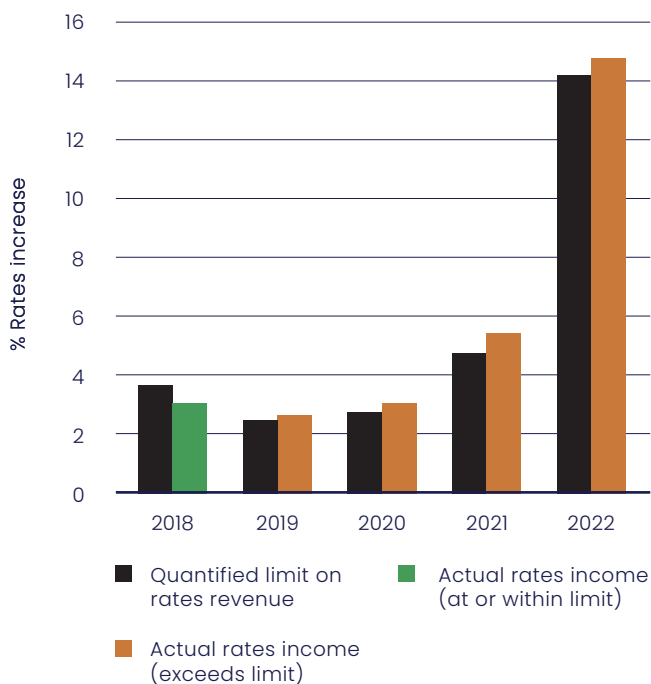
The Council is required to include these prudence benchmarks in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

The benchmarks have been prepared for the parent entity and not the group.

Rates (increase) affordability benchmark

Meets the affordability benchmark if rates increase is within a quantified limit.

The graph that follows compares the council's actual rates income with a quantified limit on rates contained in the Financial Strategy in the Long Term Plan. The quantified limit is set as part of the broader financial sustainability considerations, which includes enabling the achievement of a balanced budget. 2021-22 includes the impact of introducing the new rates funded rubbish, recycling and green waste services. The rates income for 2021-22 was slightly above the limit set primarily due to growth in the city being higher than anticipated and other minor rating database changes that have occurred in the city.

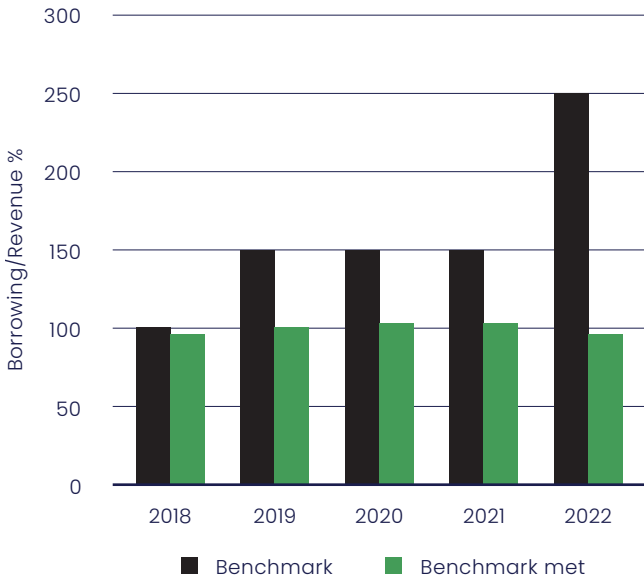


Debt affordability benchmark

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

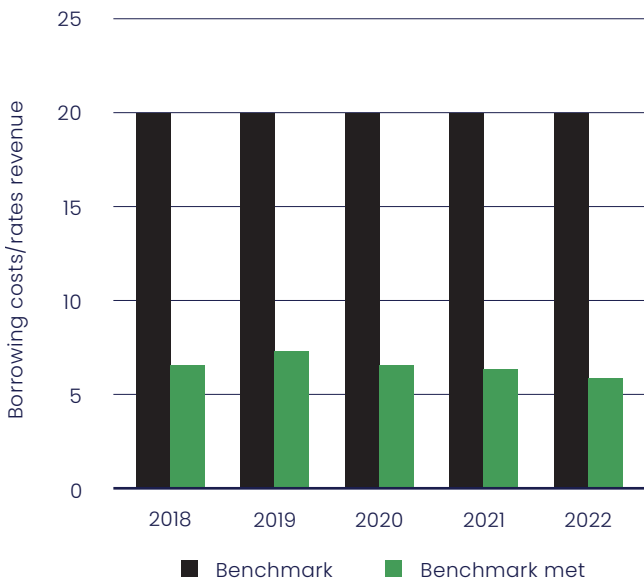
Debt affordability benchmark (debt as percentage of revenue)

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the Long Term Plan. The quantified limit has been increased to 250% as part of the Long Term Plan 2021-2031. Council has remained within the borrowing limits set in the Long Term Plan.



Debt affordability benchmark (interest costs/rates revenue)

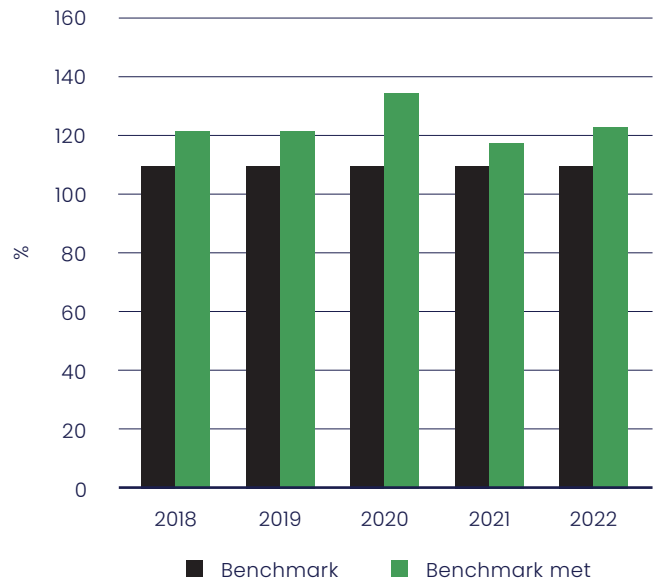
Meets the debt affordability benchmark if its interest costs for the year are less than 20 per cent of its rates revenue.



Debt affordability benchmark (liquidity)

Council meets the benchmark if liquidity is above 110%.

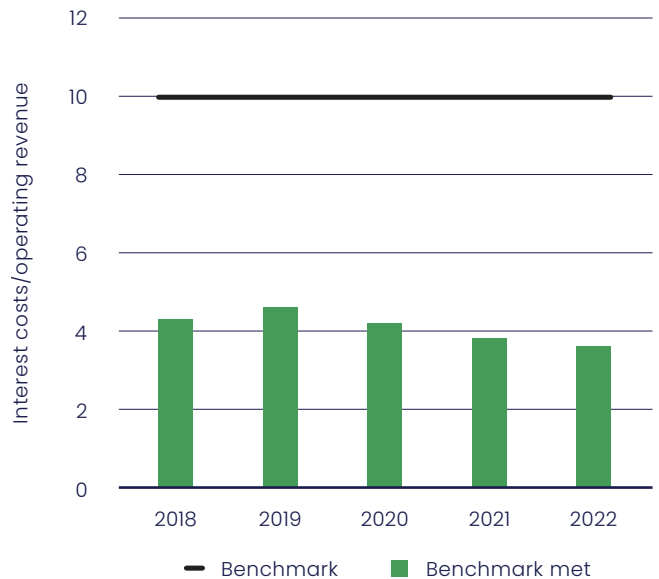
The following graph displays the council's gross debt levels (including standby facilities and cash holdings) compared to actual debt levels.



Debt servicing benchmark

Council meets the debt servicing benchmark if its borrowing costs for the year equals or are less than 10 per cent of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation of Property, Plant and Equipment).

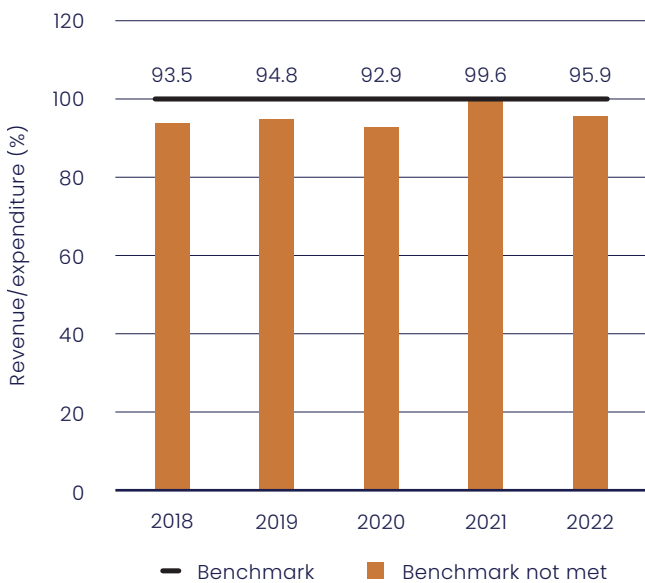
The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment).



Balanced budget benchmark

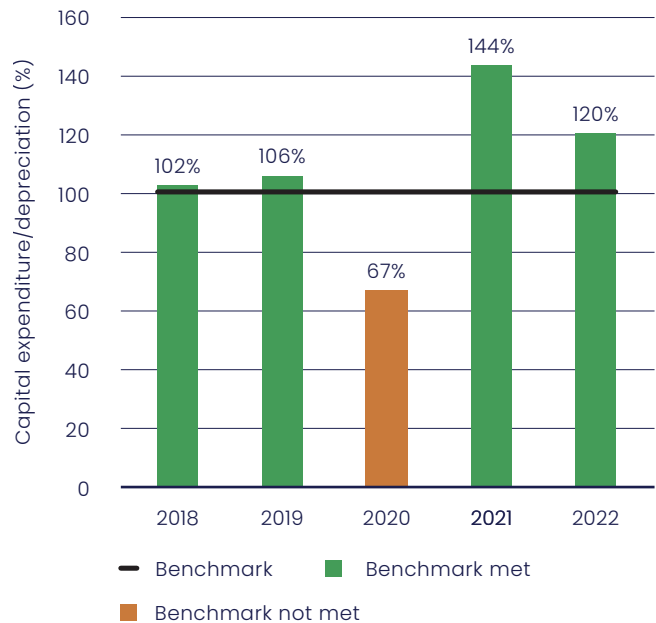
Council meets the balance budget benchmark for each year if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation on property, plant or equipment) exceeds its operating expenses (excluding losses on derivative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

This benchmark is similar to the balance budget measure adopted by council as part of its Financial Strategy in the Long Term Plan 2021-2031. 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 improvement subsidies, grant revenue from Infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku. The results of the council's measure can be found under financial sustainability in section one of this annual report.



Essential services benchmark

The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark as its capital expenditure on network services is equal to or greater than depreciation on network services. Note: The comparative information has been restated to align with the calculations stated in the Long Term Plan.



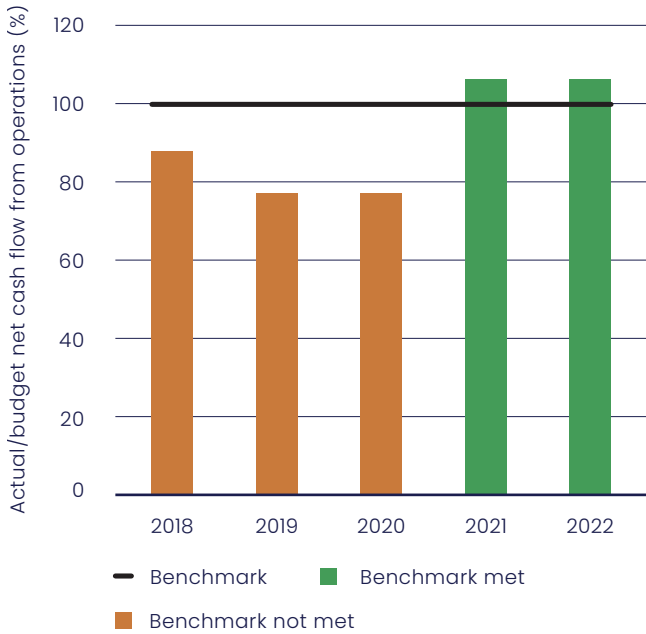
Debt Control Benchmark

The following graph displays council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations Control Benchmark

The following graph displays council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operational control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Tauākī pāpātanga tahua

Funding impact statements

Transport

Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	17,375	17,056	16,382	17,853	17,450
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	4,086	4,309	4,675	4,526	4,350
Fees and charges	5,438	4,146	5,500	4,826	4,894
Internal charges and overheads recovered	3,110	7,502	5,125	7,202	6,298
Local authorities fuel tax, fines, infringement fees, and other receipts	1,009	988	1,221	1,026	1,999
Total operating funding (A)	31,018	34,001	32,904	35,433	34,991
Applications of operating funding					
Payments to staff and suppliers	14,909	15,755	14,565	14,736	15,102
Finance costs	2,064	1,395	1,227	900	1,109
Internal charges and overheads applied	2,064	2,540	2,540	3,104	3,104
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	19,036	19,690	18,333	18,740	19,315
Surplus (deficit) of operating funding (A-B)	11,982	14,311	14,571	16,693	15,676
Sources of capital funding					
Subsidies and grants for capital expenditure	9,011	9,377	10,603	10,760	5,275
Development and financial contributions	99	350	1	243	518
Increase (decrease) in debt	(1,533)	(4,310)	(5,362)	(8,838)	(10,877)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	7,576	5,416	5,242	2,166	(5,084)
Application of capital funding					
Capital expenditure					
- - to meet additional demand	3,647	613	336	267	157
- - to improve level of service	8,396	10,443	12,959	9,932	4,263
- - to replace existing assets	7,515	8,671	6,518	8,660	6,172
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	19,558	19,726	19,813	18,859	10,592
Surplus (deficit) of capital funding (C-D)	(11,982)	(14,311)	(14,571)	(16,693)	(15,676)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Water supply Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	15,560	17,321	17,492	18,581	18,958
Subsidies and grants for operating purposes	-	-	1,728	1,060	3,403
Fees and charges	3,268	3,325	3,202	3,625	3,382
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	119	116	293	116	727
Total operating funding (A)	18,947	20,762	22,716	23,382	26,470
Applications of operating funding					
Payments to staff and suppliers	13,789	15,057	16,766	17,853	19,481
Finance costs	591	516	454	773	952
Internal charges and overheads applied	507	397	397	421	421
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	14,886	15,970	17,618	19,047	20,854
Surplus (deficit) of operating funding (A-B)	4,061	4,793	5,098	4,335	5,616
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	1,060	25
Development and financial contributions	71	175	26	706	570
Increase (decrease) in debt	(2,573)	426	56	6,422	(287)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(2,502)	601	82	8,188	308
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	155	443	250
- to improve level of service	521	2,311	962	2,059	1,091
- to replace existing assets	1,038	3,082	4,064	10,021	4,583
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,559	5,393	5,181	12,523	5,924
Surplus (deficit) of capital funding (C-D)	(4,061)	(4,792)	(5,099)	(4,335)	(5,616)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Wastewater Funding impact statement

For the year ended 30 June	2018-28 LTP (Year 3)	Annual Plan Budget	Actual	2021-31 LTP (Year 1)	Actual
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	18,598	19,574	19,856	21,366	21,831
Subsidies and grants for operating purposes	2,625	2,113	2,938	3,291	4,792
Fees and charges	1,080	1,057	1,259	1,057	1,321
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	119	116	480	116	735
Total operating funding (A)	22,422	22,861	24,533	25,830	28,679
Applications of operating funding					
Payments to staff and suppliers	12,563	12,204	13,114	15,056	15,814
Finance costs	1,206	682	600	1,166	1,436
Internal charges and overheads applied	1,030	858	858	471	471
Other operating funding applications	-	-	2	-	-
Total applications of operating funding (B)	14,799	13,744	14,575	16,693	17,721
Surplus (deficit) of operating funding (A-B)	7,623	9,117	9,959	9,137	10,958
Sources of capital funding					
Subsidies and grants for capital expenditure	5,572	4,602	2,431	4,375	3,810
Development and financial contributions	856	2,027	1,344	466	2,650
Increase (decrease) in debt	6,863	3,240	1,592	9,130	4,015
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	13,292	9,869	5,368	13,971	10,475
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	4,800	1,210	1,603
- to improve level of service	15,922	13,685	2,079	4,916	5,050
- to replace existing assets	4,992	5,301	8,448	16,982	14,780
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	20,915	18,986	15,327	23,108	21,433
Surplus (deficit) of capital funding (C-D)	(7,623)	(9,117)	(9,959)	(9,137)	(10,958)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Stormwater Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,417	7,229	7,187	7,905	7,265
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	9	8	655	538	1,909
Fees and charges	12	12	30	12	29
Internal charges and overheads recovered	1,328	2,403	859	3,188	1,727
Local authorities fuel tax, fines, infringement fees, and other receipts	119	116	551	116	559
Total operating funding (A)	8,884	9,768	9,281	11,759	11,489
Applications of operating funding					
Payments to staff and suppliers	3,875	4,230	4,334	5,457	5,418
Finance costs	436	311	274	409	504
Internal charges and overheads applied	373	243	243	979	979
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,685	4,784	4,850	6,845	6,901
Surplus (deficit) of operating funding (A-B)	4,199	4,984	4,431	4,914	4,588
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	530	-
Development and financial contributions	80	250	7	87	349
Increase (decrease) in debt	85	1,042	(55)	(1,680)	(2,960)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	165	1,292	(48)	(1,063)	(2,611)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	276	218	135
- to improve level of service	3,874	4,668	2,621	2,414	967
- to replace existing assets	490	1,608	1,486	1,219	875
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,364	6,276	4,383	3,851	1,977
Surplus (deficit) of capital funding (C-D)	(4,199)	(4,984)	(4,431)	(4,914)	(4,588)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Solid waste Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	-	1,337	1,357	9,678	9,640
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	14,562	15,155	19,344	19,888	20,509
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	526	5	(25)	-	1,412
Total operating funding (A)	15,089	16,497	20,676	29,566	31,561
Applications of operating funding					
Payments to staff and suppliers	7,528	8,908	13,336	18,745	22,157
Finance costs	477	656	594	512	567
Internal charges and overheads applied	333	368	368	804	804
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	8,338	9,932	14,299	20,061	23,528
Surplus (deficit) of operating funding (A-B)	6,750	6,565	6,377	9,505	8,033
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(2,709)	(2,161)	1,705	(6,970)	(4,922)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(2,709)	(2,161)	1,705	(6,970)	(4,922)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	4,042	4,404	8,083	2,535	3,111
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	4,042	4,404	8,083	2,535	3,111
Surplus (deficit) of capital funding (C-D)	(6,750)	(6,565)	(6,377)	(9,505)	(8,033)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

City development Funding impact statement

For the year
ended 30 June

	2018-28 LTP (Year 3)	Annual Plan Budget	Actual	2021-31 LTP (Year 1)	Actual
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	8,047	8,120	7,242	10,031	7,852
Targeted rates	-	139	139	145	144
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	84	314	288	289	281
Internal charges and overheads recovered	1,440	2,700	865	4,045	1,866
Local authorities fuel tax, fines, infringement fees, and other receipts	156	65	170	65	203
Total operating funding (A)	9,728	11,338	8,704	14,575	10,346
Applications of operating funding					
Payments to staff and suppliers	3,269	8,991	7,238	12,262	7,951
Finance costs	1,952	324	285	302	372
Internal charges and overheads applied	801	1,181	1,181	2,011	2,011
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	6,021	10,496	8,704	14,575	10,334
Surplus (deficit) of operating funding (A-B)	3,707	842	-	-	12
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	765	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	2,901	6,409	3,077	7,940	7,545
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	2,901	6,409	3,077	8,705	7,545
Application of capital funding					
Capital expenditure					
- to meet additional demand	3,168	-	381	1,200	753
- to improve level of service	3,440	7,251	2,696	7,505	6,804
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	6,608	7,251	3,077	8,705	7,557
Surplus (deficit) of capital funding (C-D)	(3,707)	(842)	-	-	(12)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Sustainability & resilience Funding impact statement

For the year
ended 30 June

	2018-28 LTP (Year 3)	Annual Plan Budget	Actual	2021-31 LTP (Year 1)	Actual
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	981	1,289	1,933	1,146	1,736
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	53	-	150	99
Fees and charges	-	-	-	75	-
Internal charges and overheads recovered	176	428	231	462	377
Local authorities fuel tax, fines, infringement fees, and other receipts	428	415	451	670	618
Total operating funding (A)	1,585	2,185	2,615	2,503	2,830
Applications of operating funding					
Payments to staff and suppliers	1,428	1,793	2,251	1,984	2,163
Finance costs	1	6	5	6	7
Internal charges and overheads applied	154	352	352	498	498
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	1,583	2,152	2,609	2,488	2,668
Surplus (deficit) of operating funding (A-B)	3	34	6	15	162
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	149
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(2)	327	(5)	355	250
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(2)	327	(5)	355	399
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	-	250	-	370	492
- to replace existing assets	-	110	-	-	69
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	-	360	-	370	561
Surplus (deficit) of capital funding (C-D)	(2)	(33)	(5)	(15)	(162)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Regulatory services Funding impact statement

For the year ended 30 June	2018-28 LTP (Year 3)	Annual Plan Budget	Actual	2021-31 LTP (Year 1)	Actual
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	3,348	2,359	3,089	1,570	4,038
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	5,796	7,652	8,353	8,716	8,497
Internal charges and overheads recovered	599	784	369	633	959
Local authorities fuel tax, fines, infringement fees, and other receipts	1,180	1,172	1,180	1,175	1,132
Total operating funding (A)	10,923	11,967	12,991	12,094	14,626
Applications of operating funding					
Payments to staff and suppliers	8,025	8,069	9,081	8,604	11,130
Finance costs	9	7	7	9	11
Internal charges and overheads applied	2,827	3,847	3,847	3,381	3,381
Other operating funding applications	-	-	(5)	-	-
Total applications of operating funding (B)	10,861	11,923	12,930	11,994	14,522
Surplus (deficit) of operating funding (A-B)	62	44	61	100	104
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(62)	515	487	(100)	(89)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	(62)	515	487	(100)	(89)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	-	559	548	-	15
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	-	559	548	-	15
Surplus (deficit) of capital funding (C-D)	(62)	(44)	(61)	(100)	(104)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Connectivity, creativity learning & recreation Funding impact statement

For the year ended 30 June	2018-28 LTP (Year 3)	Annual Plan Budget	Actual	2021-31 LTP (Year 1)	Actual
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	17,169	16,975	17,310	17,497	18,134
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	130	100	207	100	232
Fees and charges	5,316	3,914	3,705	4,115	2,982
Internal charges and overheads recovered	3,073	7,375	4,867	7,056	6,413
Local authorities fuel tax, fines, infringement fees, and other receipts	1,088	1,135	924	1,015	742
Total operating funding (A)	26,776	29,499	27,013	29,783	28,503
Applications of operating funding					
Payments to staff and suppliers	18,447	18,984	16,430	18,375	17,101
Finance costs	967	1,252	1,102	697	859
Internal charges and overheads applied	3,729	4,874	4,874	6,122	6,122
Other operating funding applications	-	-	107	-	-
Total applications of operating funding (B)	23,143	25,110	22,513	25,194	24,082
Surplus (deficit) of operating funding (A-B)	3,633	4,389	4,501	4,589	4,421
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	2,700	2,700
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	9,053	(751)	(2,533)	5,999	3,731
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	9,053	(751)	(2,533)	8,699	6,431
Application of capital funding					
Capital expenditure					
- - to meet additional demand	-	-	-	-	-
- - to improve level of service	9,501	496	572	10,158	8,273
- - to replace existing assets	3,185	3,142	1,396	3,130	2,579
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	12,687	3,637	1,968	13,288	10,852
Surplus (deficit) of capital funding (C-D)	(3,633)	(4,389)	(4,501)	(4,589)	(4,421)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Open spaces, parks & reserves Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	10,565	10,382	9,501	11,834	11,451
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	6	5	69	5	6
Fees and charges	1,296	1,257	1,323	1,472	1,483
Internal charges and overheads recovered	1,891	3,451	1,135	4,772	2,721
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	151	55	1,463
Total operating funding (A)	13,758	15,096	12,178	18,138	17,124
Applications of operating funding					
Payments to staff and suppliers	10,946	12,306	11,558	13,200	12,446
Finance costs	818	711	626	400	493
Internal charges and overheads applied	715	921	921	1,093	1,093
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	12,479	13,938	13,105	14,693	14,032
Surplus (deficit) of operating funding (A-B)	1,279	1,158	(927)	3,445	3,092
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	625	1,495	3,145	3,000	7,045
Increase (decrease) in debt	(255)	3,127	1,968	6,464	(7,396)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	370	4,622	5,113	9,464	(351)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	706	4,775	3,245	3,008	1,469
- to replace existing assets	943	1,005	941	9,901	1,272
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,649	5,780	4,186	12,909	2,741
Surplus (deficit) of capital funding (C-D)	(1,279)	(1,158)	927	(3,445)	(3,092)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Community partnering & support Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	7,659	7,628	7,785	7,129	7,184
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	50	28	1	-	-
Fees and charges	822	446	533	438	391
Internal charges and overheads recovered	1,371	2,536	930	2,875	1,707
Local authorities fuel tax, fines, infringement fees, and other receipts	833	1,202	1,031	1,240	730
Total operating funding (A)	10,735	11,839	10,279	11,682	10,012
Applications of operating funding					
Payments to staff and suppliers	7,919	9,088	7,551	8,432	7,034
Finance costs	847	751	661	50	62
Internal charges and overheads applied	792	1,168	1,169	1,552	1,552
Other operating funding applications	-	-	35	-	-
Total applications of operating funding (B)	9,557	11,007	9,416	10,034	8,648
Surplus (deficit) of operating funding (A-B)	1,178	833	863	1,648	1,364
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	189	901	(488)	(538)	(792)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	189	901	(488)	(538)	(792)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	1,003	1,392	280	280	147
- to replace existing assets	364	341	95	830	425
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,367	1,733	375	1,110	572
Surplus (deficit) of capital funding (C-D)	(1,178)	(833)	(863)	(1,648)	(1,364)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Governance, strategy and partnerships

Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	4,049	3,846	4,731	4,725	5,198
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	-	-	2	-	-
Internal charges and overheads recovered	725	1,279	565	1,906	1,235
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	-	-	-
Total operating funding (A)	4,774	5,125	5,298	6,631	6,433
Applications of operating funding					
Payments to staff and suppliers	2,006	2,138	2,316	2,826	2,628
Finance costs	-	-	-	-	-
Internal charges and overheads applied	2,767	2,976	2,976	3,799	3,799
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	4,774	5,114	5,292	6,625	6,427
Surplus (deficit) of operating funding (A-B)	-	11	6	6	6
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	-	(11)	(6)	(6)	(6)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	-	(11)	(6)	(6)	(6)
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)	-	(11)	(6)	(6)	(6)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Corporate services Funding impact statement

For the year ended 30 June	2018-28	Annual		2021-31	
	LTP (Year 3)	Plan Budget	Actual	LTP (Year 1)	Actual
	2021	2021	2021	2022	2022
	\$000	\$000	\$000	\$000	\$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	-	-	-	-	-
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	1,093	1,188	1,119	1,098	1,310
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,210	1,165	15,097	1,259	21,861
Total operating funding (A)	2,303	2,352	16,216	2,357	23,171
Applications of operating funding					
Payments to staff and suppliers	13,287	18,018	21,508	20,196	24,301
Finance costs	1,110	1,586	1,596	1,318	1,412
Internal charges and overheads applied	(2,380)	6,059	(10,111)	7,904	(4,369)
Other operating funding applications	-	-	-	-	-
Total applications of operating funding (B)	12,016	25,664	12,993	29,418	21,344
Surplus (deficit) of operating funding (A-B)	(9,713)	(23,311)	3,223	(27,061)	1,827
Sources of capital funding					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	11,266	29,816	(1,211)	33,021	(1,666)
Gross proceeds from sale of assets	-	-	117	299	53
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	11,266	29,816	(1,094)	33,320	(1,613)
Application of capital funding					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	891	4,872	1,802	4,949	(362)
- to replace existing assets	662	1,633	327	1,310	576
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	1,553	6,505	2,129	6,259	214
Surplus (deficit) of capital funding (C-D)	9,713	23,311	(3,224)	27,061	(1,827)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Note for 2021-22 and 2020-21 Actuals under "Local authorities fuel tax, fines, infringement fees, and other receipts" the amounts include \$20,442k and \$13,698k respectively for Gains on Revaluation of Financial Instruments.

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated.

Council Funding impact statement

For the year
ended 30 June

	2018-28 LTP (Year 3)	Annual Plan Budget	Actual	2021-31 LTP (Year 1)	Actual
	2021 \$000	2021 \$000	2021 \$000	2022 \$000	2022 \$000
Sources of operating funding					
General rates, uniform annual general charges, rates penalties	76,611	74,883	75,378	79,690	80,307
Targeted rates	34,158	38,372	38,626	49,770	50,573
Subsidies and grants for operating purposes	6,906	6,616	10,273	9,670	14,790
Fees and charges	38,768	38,466	44,658	45,611	45,078
Internal charges and overheads recovered	-	-	-	-	-
Interest & dividends from investments	995	802	987	903	907
Local authorities fuel tax, fines, infringement fees, and other receipts	5,792	5,693	20,532	5,950	31,276
Total operating funding (A)	163,230	164,832	190,454	191,594	222,930
Applications of operating funding					
Payments to staff and suppliers	117,989	135,542	140,049	157,726	162,725
Finance costs	10,477	8,199	7,432	6,542	7,785
Internal charges and overheads applied	-	-	-	-	-
Other operating funding applications	-	-	21	-	-
Total applications of operating funding (B)	128,466	143,741	147,502	164,268	170,510
Surplus (deficit) of operating funding (A-B)	34,764	21,091	42,952	27,326	52,421
Sources of capital funding					
Subsidies and grants for capital expenditure	14,583	13,979	13,034	20,191	11,960
Development and financial contributions	1,731	4,296	4,524	4,502	11,131
Increase (decrease) in debt	23,224	41,246	4,558	51,199	(10,015)
Gross proceeds from sale of assets	-	-	-	299	53
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
Total sources of capital funding (C)	39,538	59,521	22,116	76,191	13,129
Application of capital funding					
Capital expenditure					
- to meet additional demand	6,815	2,063	5,948	3,338	2,898
- to improve level of service	48,297	53,656	35,846	48,126	31,321
- to replace existing assets	19,190	24,893	23,275	52,053	31,331
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
Total applications of capital funding (D)	74,302	80,612	65,068	103,517	65,550
Surplus (deficit) of capital funding (C-D)	(34,764)	(21,091)	(42,953)	(27,327)	(52,421)
Funding balance ((A-B)+(C-D))	-	-	-	-	-

Groups of Activities (GOA) have been restructured within the new LTP and for comparability some GOA transactions in the 2021 year have been restated. At whole of Council level revenue and expenses remain unchanged.



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Āpiti hanga 1: Kuputaka

Appendix 1: Glossary

10 Year Plan – A plan that describes the activities of a local authority, its community outcomes, and its long-term focus in terms of decisions and activities. This is equivalent to our Long Term Plan (LTP).

Annual Plan – A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.

Asset – Something of value that Council owns on behalf of the people of Te Awa Kairangi ki Tai Lower Hutt, such as roads, drains, parks, and buildings.

Asset Management Plan – A long-term plan for managing an asset to ensure that it continues to have the capacity to provide an agreed level of service and costs over the life of the asset are minimised.

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

Central Business District (CBD) – Lower Hutt's city centre.

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

Community Panels – Community Panels replaced the previous community committee structure. Their role was to represent and act as an advocate for the interests of their communities. Hutt City Council had four community panels in the Central, Eastern, Northern and Western ward communities. Community panels were disestablished following the October 2019 triennial elections. On 26 May 2020 Council agreed to establish Community Funding Panels.

Council Controlled Organisation (CCO) – A Company, in which Council is at least a 50 per cent shareholder that independently manages facilities, delivers services, and undertakes developments on behalf of the Te Awa Kairangi ki Tai Lower Hutt community. Where necessary, Council funds these organisations.

Employee Costs – The costs of all staff expenditure – wages, salaries and related taxes, training, and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading. This does not include CCO director fees, which are included in operating expenditure.

Financial Year – Council's financial year runs from 1 July to 30 June of the following year.

Local Government Act 2002 – The key legislation that defines the powers and responsibilities of local authorities like Hutt City Council.

Long Term Plan (LTP) – See 10 Year Plan, above.

Maintenance costs – Money spent to keep the Council's assets in working condition, such as repairs and maintenance.

Mana Whenua – Māori who have historic and territorial rights over the land. Mana whenua refers to iwi and hapū who have these rights in Te Awa Kairangi ki Tai, Lower Hutt. The tribe's history and legends are based in the lands they have occupied over generations and the land provides the sustenance for the people and to provide.

Ngāti Toa Rangatira – An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt. Originally living in the Kāwhia area on the North Island's west coast, Ngāti Toa Rangatira (also known as Ngāti Toa) lands are now largely in the south-western North Island centred around Porirua and the Kāpiti Coast. The northernmost point of the Ngāti Toa Rangatira rohe is considered to be Whangaehu, extending south on the west coast of the North Island and encompassing Te Moana o Raukawa (Cook Strait). In Te Waipounamu (the South Island), the rohe extends to the Arahura River, its southernmost point on the West Coast, and Kaikōura on the Eastern Coast.

Operating Expenditure – Money spent on the day-to-day operations of the Council.

Operating Projects – Significant projects that do not result in the creation of Council assets.

Performance Measure – A measure that shows how well Council is doing in achieving the goals it has set for itself.

Rates – Funds collected by Council from levies on property. These are based on the capital value of the property, but the term is often used to also include targeted rates.

Residents Satisfaction Survey (RSS) – This survey is conducted using a panel system, where a group of residents receive surveys to provide feedback on the city.

Significance – The degree of importance of an issue, proposal, decision, or matter as assessed by a local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural wellbeing of the community.

Significant Activity – An activity deemed to be significant according to Council's Significance and Engagement Policy. Currently the Long-Term Plan and Annual Plan list 31 separate significant activities that fall within 12 groups of activities.

Seaview Marina Limited (SML) – This is a council controlled organisation which is Wellington's newest and fastest developing marina, situated at the sheltered northeast end of Wellington harbour.

Taranaki Whānui ki Te Upoko o Te Ika – Taranaki Whānui ki Te Upoko o Te Ika is a collective that comprises people of Te Āti Awa, Taranaki, Ngāti Ruanui, Ngāti Tama and others, including Ngāti Mutunga, from several Taranaki iwi whose ancestors migrated to Wellington in the 1820s and 30s and who signed the Port Nicholson Block Deed of Purchase in 1839. Taranaki Whānui ki Te Upoko o Te Ika, represented by Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement) Trust, have over 19,000 registered members.

Targeted rate – Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater, refuse and recycling, and the Jackson Street Programme.

Te Āti Awa – An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt, and Te Upoko o Te Ika a Māui, the wider Wellington region. Te Āti Awa in this region share close kinship to Te Āti Awa in Northern Taranaki, Kāpiti and the northern areas of the South Island.

Urban Plus Limited (UPL) & Urban Plus Limited Developments Limited (UPLD DL) – This is a council controlled organisation which is a multi-disciplined property company. They provide high quality residential property development, rental housing portfolio management and strategic property services.

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

Āpitianga 2: Tō koutou Koromatua me ngā Kaikaunihera

Appendix 2: Your Mayor and Councillors

Hutt City Council is made up of 12 Councillors and a Mayor. Along with all other local authorities in New Zealand, Council is elected every three years. The Mayor and six Councillors are elected on a city-wide basis and six Councillors are elected to represent their respective wards, while working in the best interests of the city as a whole. There are six wards – Northern, Eastern, Central, Western, Harbour and Wainuiomata – each with one Councillor.

The Council in place during 2021/22 comprised the following members:

Koromatua | Mayor Campbell Barry

Mayor of Lower Hutt

Koromatua Tuarua | Deputy Mayor Tui Lewis

Kaikaunihera ki te Whanganui
Harbour Ward Councillor

Kaikaunihera | Councillor Josh Briggs

Kaikaunihera o Te Tāone Whānui
City Wide Councillor

Kaikaunihera | Councillor Naomi Shaw

Kaikaunihera o Te Tāone Whānui
City Wide Councillor

Kaikaunihera | Councillor Deborah Hislop

Kaikaunihera o Te Tāone Whānui
City Wide Councillor

Kaikaunihera | Councillor Simon Edwards

Kaikaunihera o Te Tāone Whānui
City Wide Councillor

Kaikaunihera | Councillor Brady Dyer

Kaikaunihera o Te Tāone Whānui
City Wide Councillor

Kaikaunihera | Councillor Shazly Rasheed (until 27 May 2022)

Kaikaunihera o Te Tāone Whānui
City Wide Councillor

Kaikaunihera | Councillor Keri Brown

Kaikaunihera o Wainuiomata
Wainuiomata Ward Councillor

Kaikaunihera | Councillor Andy Mitchell

Kaikaunihera ki Te Rāwhiti
Eastern Ward Councillor

Kaikaunihera | Councillor Leigh Sutton

Kaikaunihera ki Te Raki
Northern Ward Councillor

Kaikaunihera | Councillor Chris Milne

Kaikaunihera ki Te Uru
Western Ward Councillor

Kaikaunihera | Councillor Glenda Barratt

Kaikaunihera ki Te Riu
Central Ward Councillor

Following elections in October 2022 a new Council was sworn in for the new triennium.

Koromatua | Mayor Campbell Barry

Mayor of Lower Hutt

Koromatua Tuarua | Deputy Mayor Tui Lewis

Kaikaunihiera ki te Whanganui

Harbour Ward Councillor

Kaikaunihiera | Councillor Brady Dyer

Kaikaunihiera o Te Tāone Whānui

City Wide Councillor

Kaikaunihiera | Councillor Karen Morgan

Kaikaunihiera o Te Tāone Whānui

City Wide Councillor

Kaikaunihiera | Councillor Gabriel Tupou

Kaikaunihiera o Te Tāone Whānui

City Wide Councillor

Kaikaunihiera | Councillor Simon Edwards

Kaikaunihiera o Te Tāone Whānui

City Wide Councillor

Kaikaunihiera | Councillor Josh Briggs

Kaikaunihiera o Te Tāone Whānui

City Wide Councillor

Kaikaunihiera | Councillor Chris Parkin

Kaikaunihiera ki Te Uru

Western Ward Councillor

Kaikaunihiera | Councillor Naomi Shaw

Kaikaunihiera ki Te Raki

Northern Ward Councillor

Kaikaunihiera | Councillor Glenda Barratt

Kaikaunihiera ki Te Riu

Central Ward Councillor

Kaikaunihiera | Councillor Andy Mitchell

Kaikaunihiera ki Te Rāwhiti

Eastern Ward Councillor

Kaikaunihiera | Councillor Keri Brown

Kaikaunihiera o Wainuiomata

Wainuiomata Ward Councillor

Kaikaunihiera | Councillor Tony Stallinger

Kaikaunihiera o Te Tāone Whānui

City Wide Councillor

Āpitianga 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

Twitter: twitter.com/huttcitycouncil

Chief Executive: Jo Miller

Email: jo.miller@huttcity.govt.nz

Neighbourhood Hubs (inc Libraries)

War Memorial Library

Address: 2 Queens Drive, Lower Hutt

Phone: 04 570 6633

Eastbourne Community Library

Address: 38 Rimu Street, Eastbourne

Phone: 04 562 8042

Moerā Community Library

Address: 107 Randwick Road, Moerā

Phone: 04 568 4720

Naenae Community Library

Address: Hillary Court, Naenae

Phone: 04 567 2859

Petone Community Library

Address: 7 Britannia Street, Petone

Phone: 04 568 6253

Koraunui Stokes Valley Community Hub & Library

Address: 186 Stokes Valley Road, Stokes Valley

Phone: 04 562 9050

Walter Nash Centre & Library

Address: 22 Taine Street, Taitā

Phone: 04 560 1090

Wainuiomata Community Hub & Library

Address: 1a–1c Queen Street, Wainuiomata

Phone: 04 564 5822

Pools

Huia Pool and Fitness

Address: Huia Street, Lower Hutt

Pool phone: 04 570 6655

Fitness suite phone: 04 570 1053

Stokes Valley Pool and Fitness

Address: Bowers Street, Stokes Valley

Pool phone: 04 562 9030

Fitness suite phone: 04 562 9030

McKenzie Baths Summer Pool

Address: 79 Udy Street, Petone

Phone: 04 568 6563

Eastbourne Summer Pool

Address: Marine Parade, Eastbourne

Phone: 04 562 7582

Wainuiomata Summer Pool

Address: 2 Moohan Street, Wainuiomata

Phone: 04 564 8780

Our Museums

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

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HUTT CITY
TE AWA KAIRANGI