

2021–22

Pūrongo ā-Tau Annual Report

Summary



He Mihi

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

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

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

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

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

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

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

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

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

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

Ngā hua o roto

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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.

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

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



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:

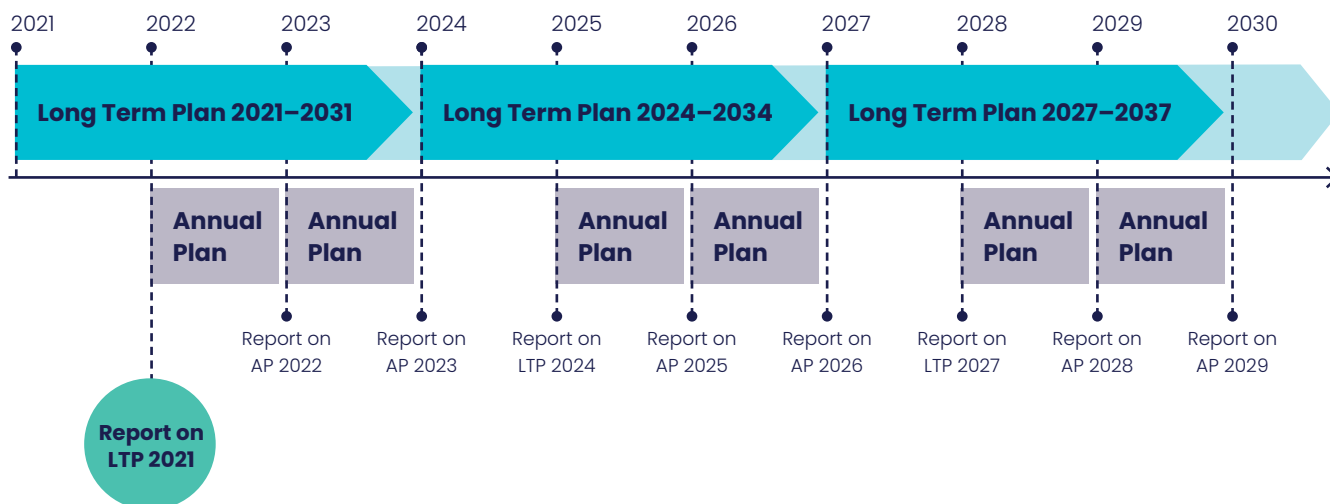
- Our Long Term Plan (also known as the 10-Year Plan) and Annual Plan work together in a series. The Long Term Plan sets out the vision for our city over the following decade, and outlines key projects and budgets for that period. The first year of the Long Term Plan also serves as the Annual Plan for 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 11 in this Annual Report for more information on those priorities).

- 1** The first section of this Annual Report gives an overview of our performance and key highlights from the year. This section is divided into 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.

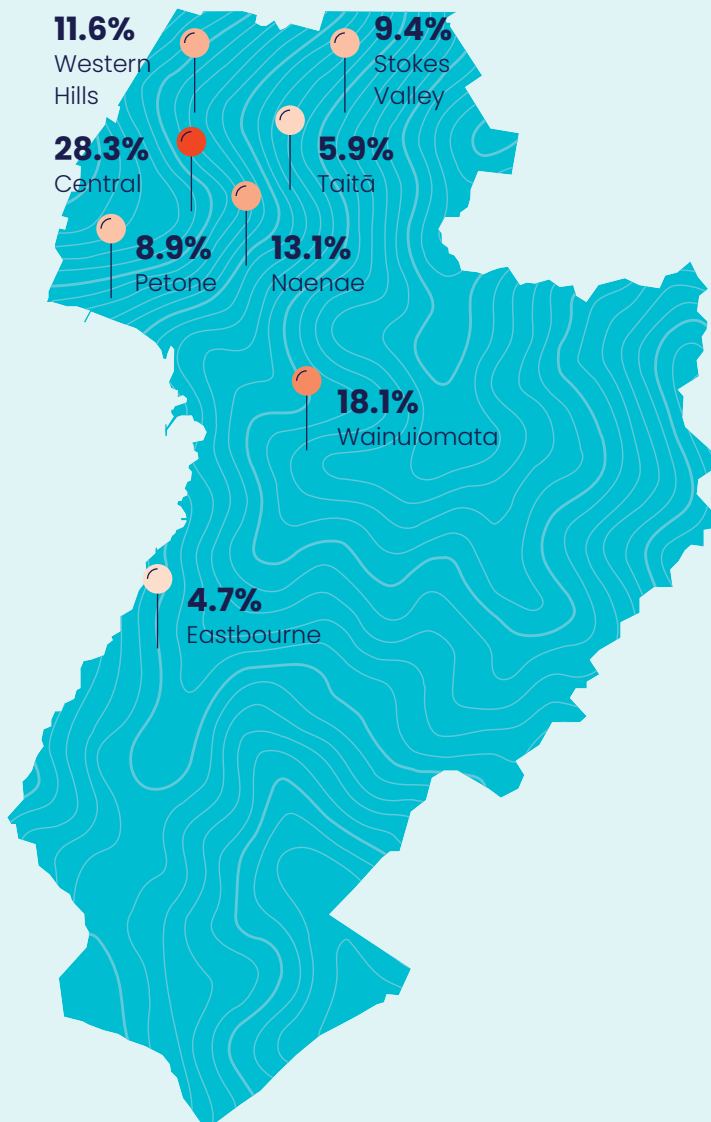
Council planning and performance monitoring cycle



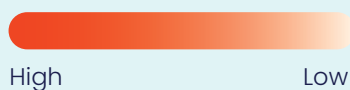
Tō tātou tāone

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

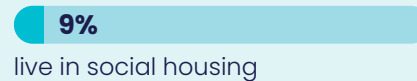
live in areas rated among the least deprived (Census 2018)



Housing

\$525

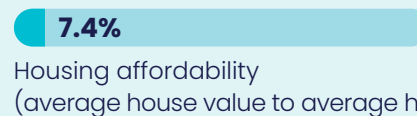
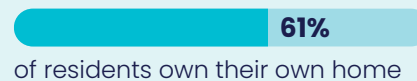
median rent per week



(Dot Loves Data, May 2022)

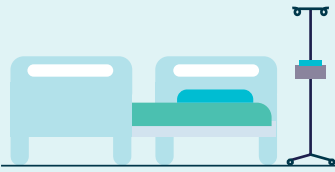
\$955,401

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

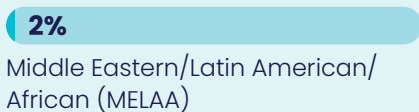
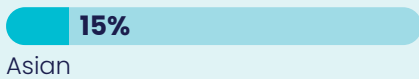
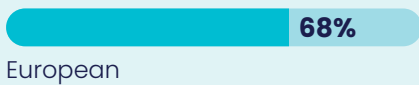
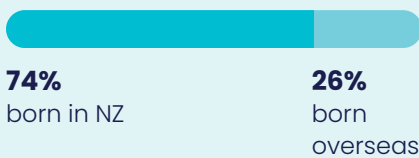
(Ministry of Health)

8%

of people aged 20+ living with diabetes



Ethnicity



(Census 2018)

\$82.10

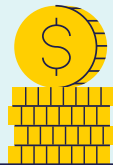
per person per quarter is the average amount lost to gaming machines (pokies) (Dot Loves Data)

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

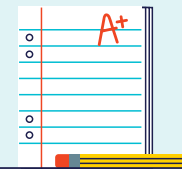
(Infometrics Lower Hutt city annual economic profile, 2021)



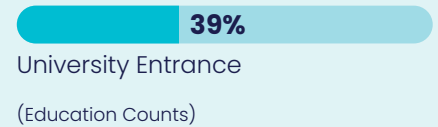
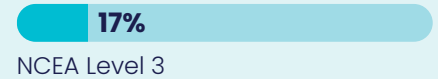
Language

Top 5 languages:

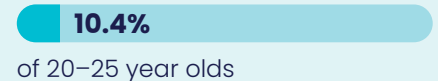
English, Māori, Samoan, Hindi, Northern Chinese



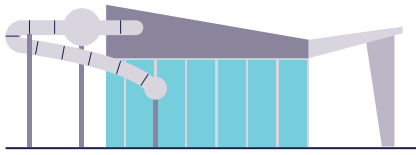
Education



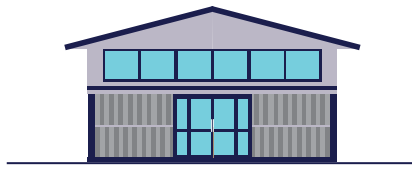
NEET rate (youth not in education, employment, or training):



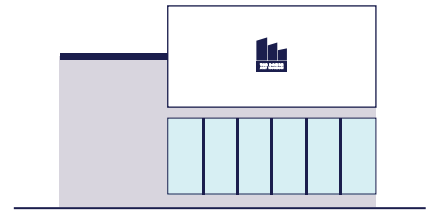
Facilities



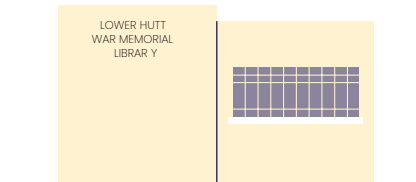
5
pools



12
community
halls



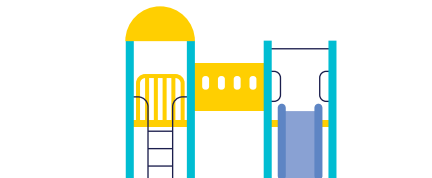
2
museums



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

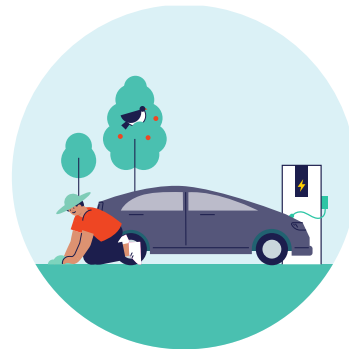
Investing in high-quality infrastructure that supports our people to move around, receive basic services (like water), and enjoy our community facilities.



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

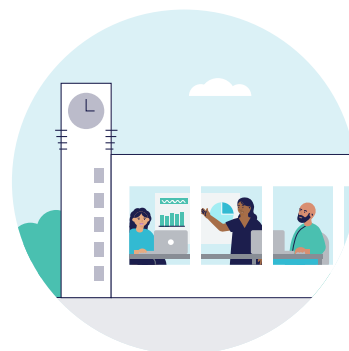
Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi Lower Hutt to make our city an attractive place to work and invest.



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

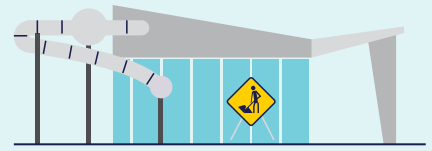
An overview of our performance and key highlights from the year.



1,318
new residential dwellings
consented



42%
of the council vehicle
fleet is electric



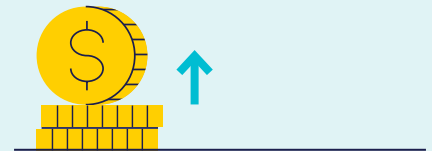
Out with the old
and in with the new: Naenae Pool
demolished, and construction
started on the new Pool and
Fitness Centre



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



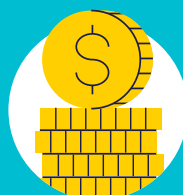
Started the
Wainuiomata
Queen Street
Upgrade



Lodged consents
for RiverLink



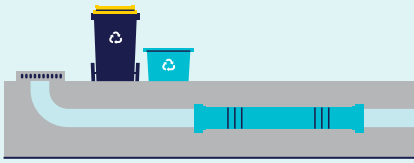
Became
Living Wage
accredited



\$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



38,188

rubbish bins



37,821

recycling bins



5,440

green waste bins



38,756

blue crates for glass recycling



490,857

visits to pools



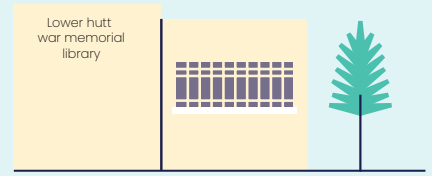
116,605

visits to The Dowse



5,778

tonnes of recycling collected



712,932

physical library loans



115,321

electronic library loans



4,390

physical library loans via home delivery



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)

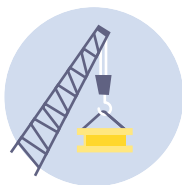
Tupua Horo Nuku is a shared path between Eastbourne and Point Howard.

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.

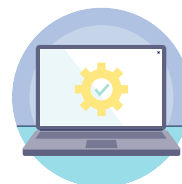


We submitted applications to the Government's Infrastructure Acceleration Fund application

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.

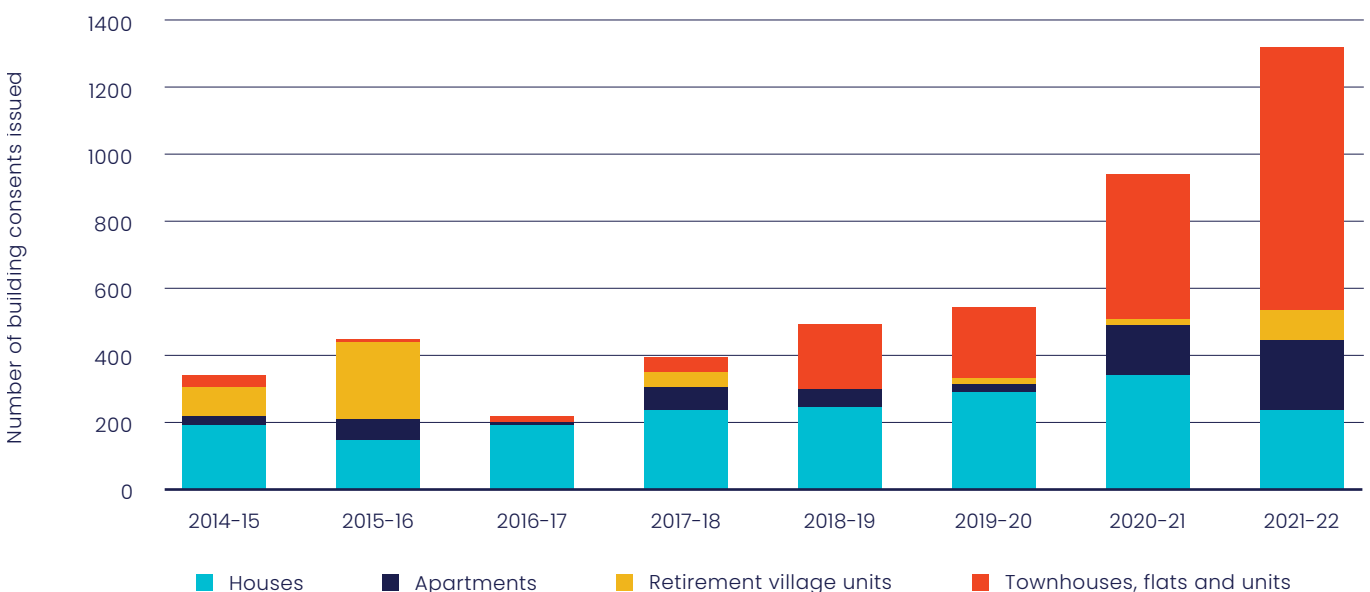


We issued 1,318 building consents for new homes over the past year.

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.

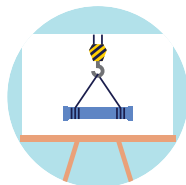
Hearings on the applications took place in April 2022, and the Environment Court approved a number of applications in an interim decision in August.



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:

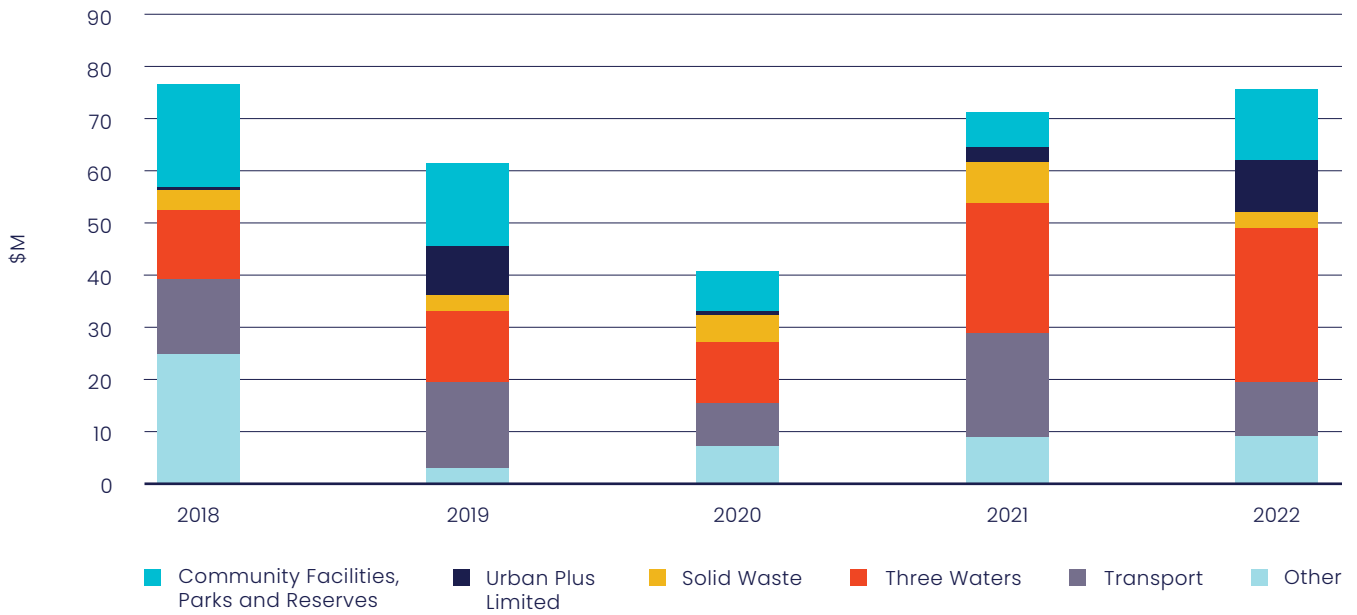
- \$29.3M in three waters infrastructure
 - Three waters network renewals of \$11M
 - Barber Grove to Seaview wastewater treatment plant project of \$7.8M
- \$10.6M on transport projects
 - Transport renewals of \$6.2M
 - \$2.6M to start work on Tupua Horo Nuku (Eastern Bays Shared Path)
- \$7.8M to 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:

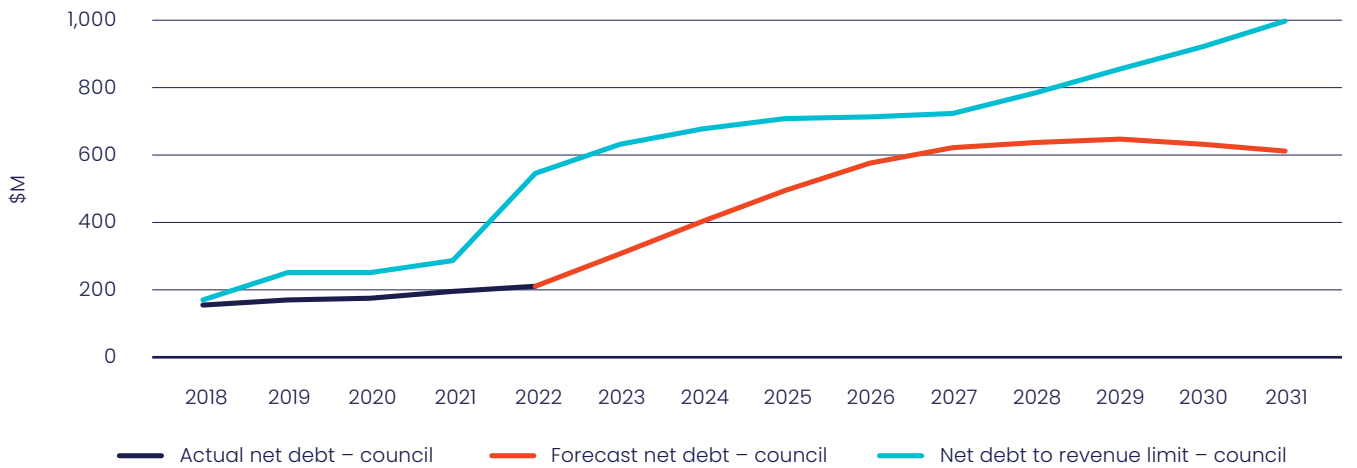
- \$7M underspend in the Petone Wharf refurbishment project which has been delayed while design and consent works are being completed
- \$8M underspend in transport projects, including cycling and micro-mobility, Tupua Horo Nuku (Eastern Bays Shared Path), and resealing projects
- \$10M underspend in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

(See Graph 2)

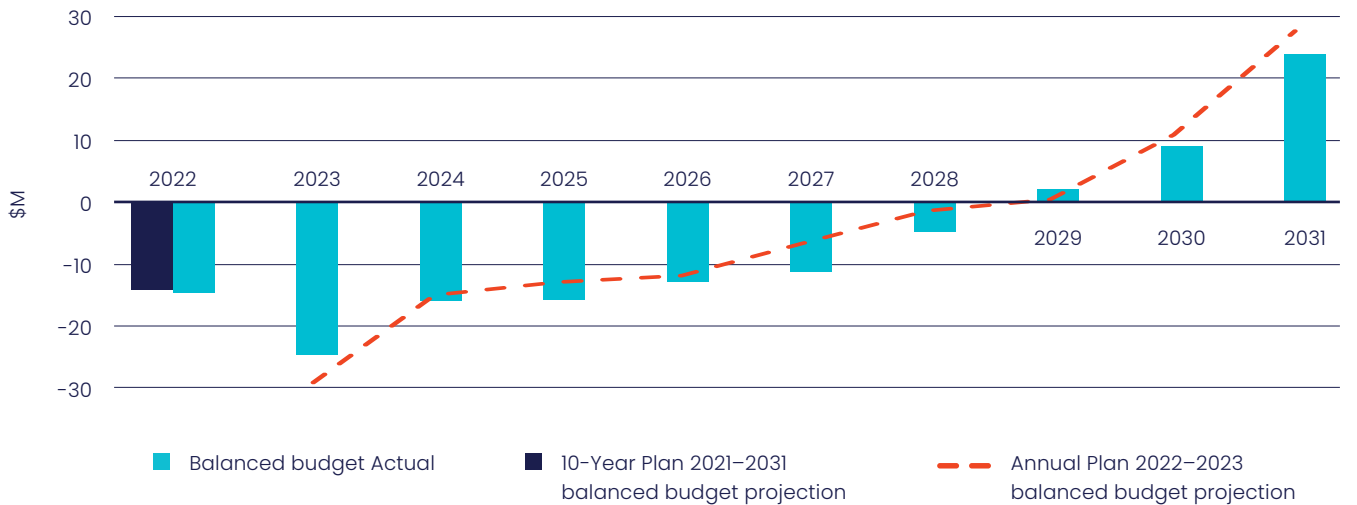
Graph 2: Group capital investment five year trend



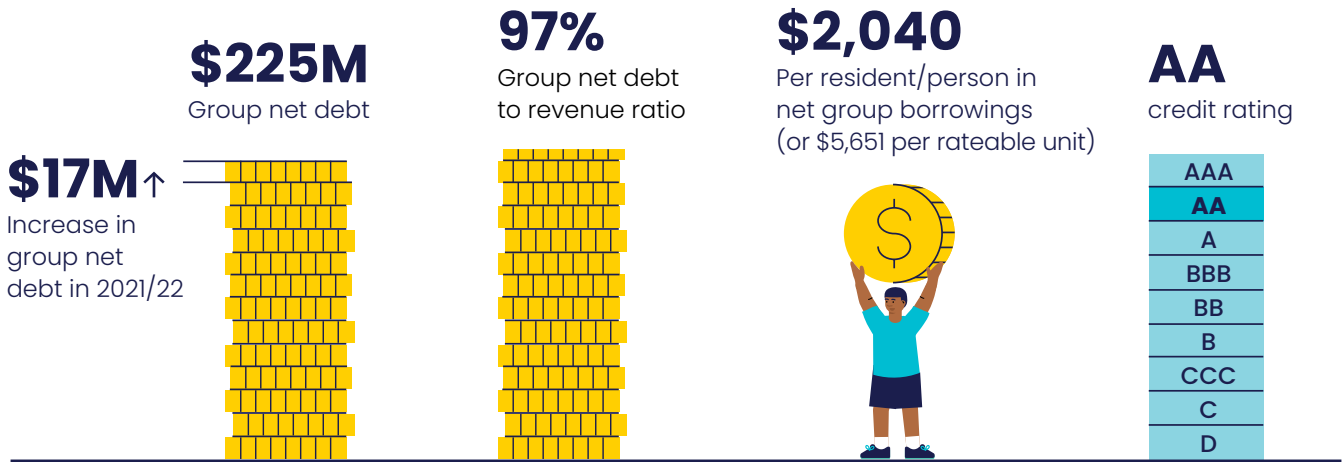
Graph 3: Council net debt



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).

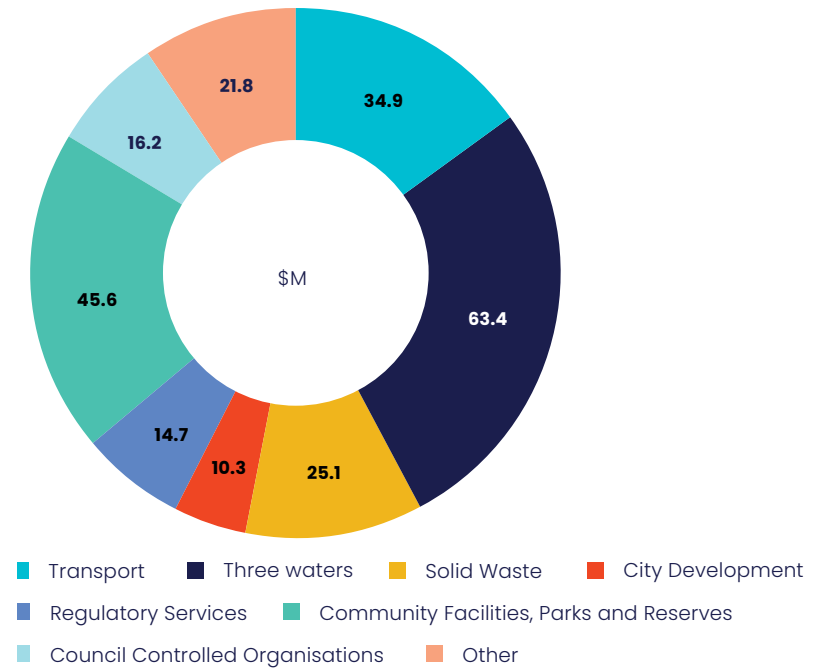
We have a high reliance on rates as an income stream. At \$130M it represents half of our revenue at a group level. Rates revenue increased by \$16.9M in the current year. \$8.3M of this increase reflects the first year of implementation of our new rubbish and recycling services. The remaining \$8.6M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

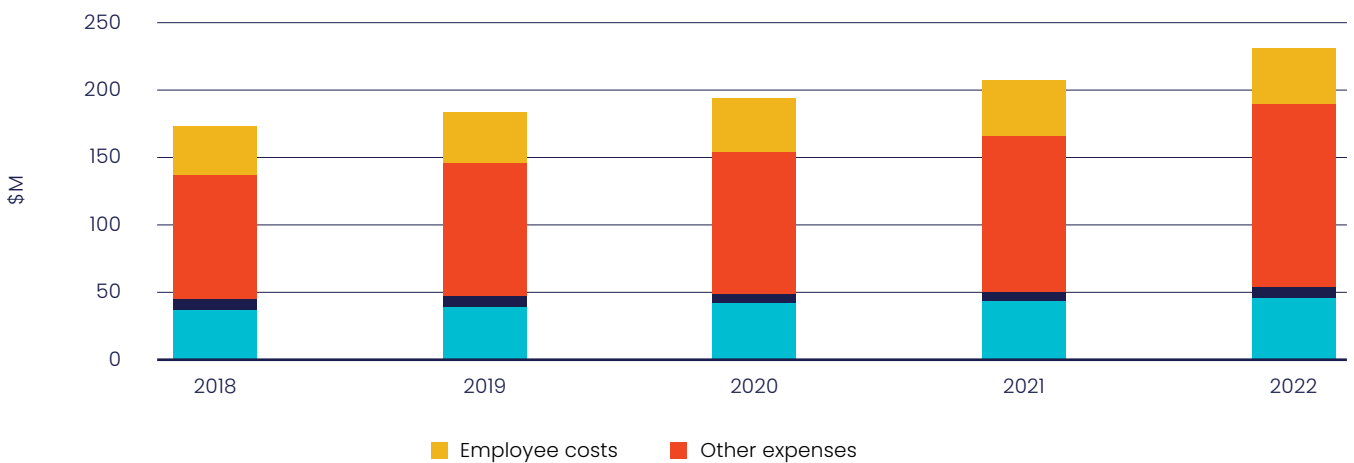
As a consequence this also resulted in a large influx of consent applications to precede the new policy.

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)

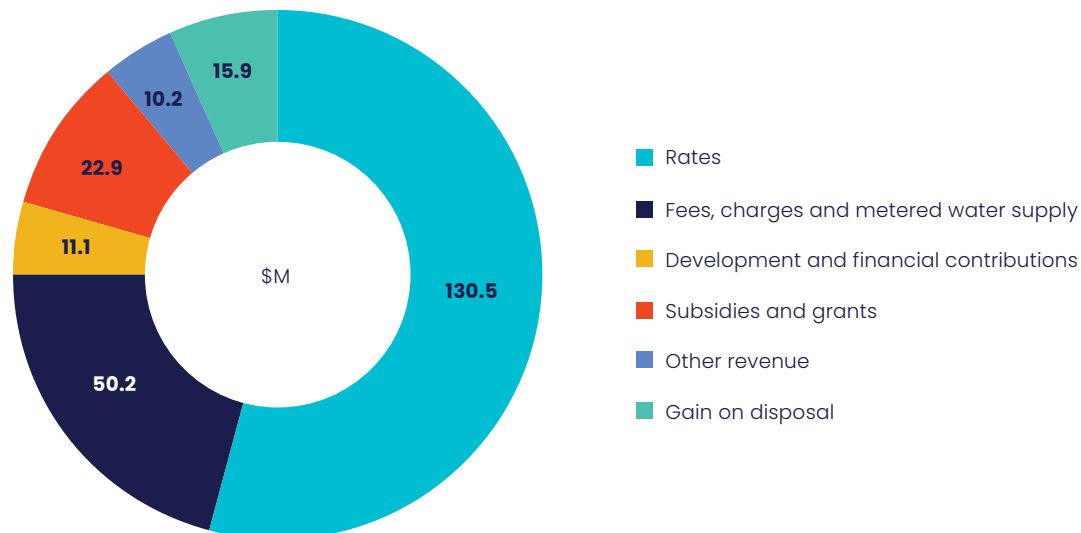
Graph 5: Group expenditure by activity in 2021–22



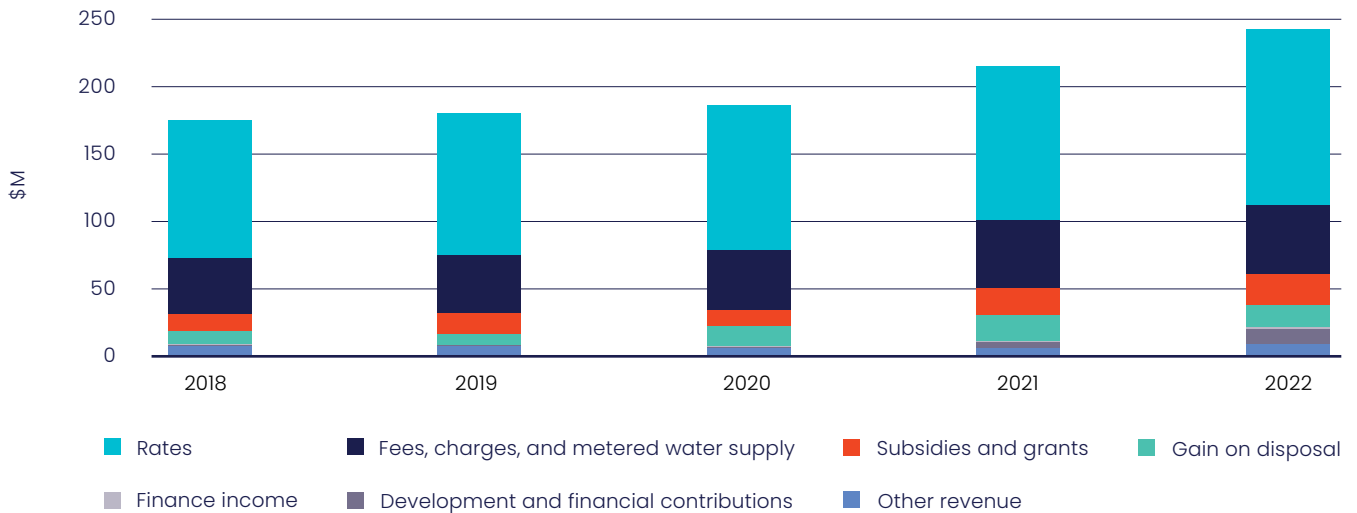
Graph 6: Group five-year trend of expenditure (\$M) - excluding losses on the revaluation of financial instruments



Graph 7: Group sources of revenue in 2021–22



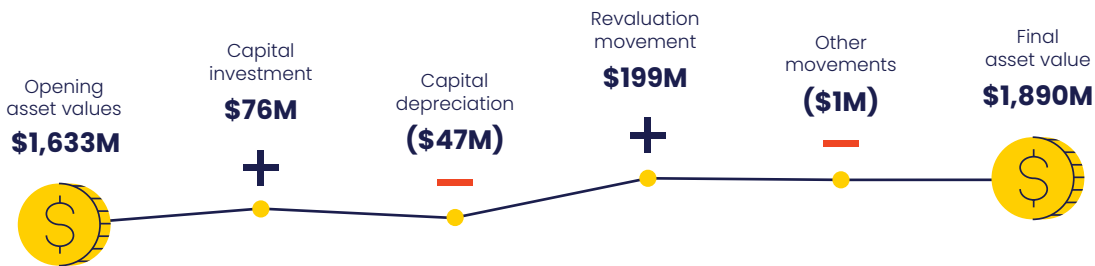
Graph 8: Group five-year revenue trend (\$M) – excluding revenue on the revaluation of financial instruments



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

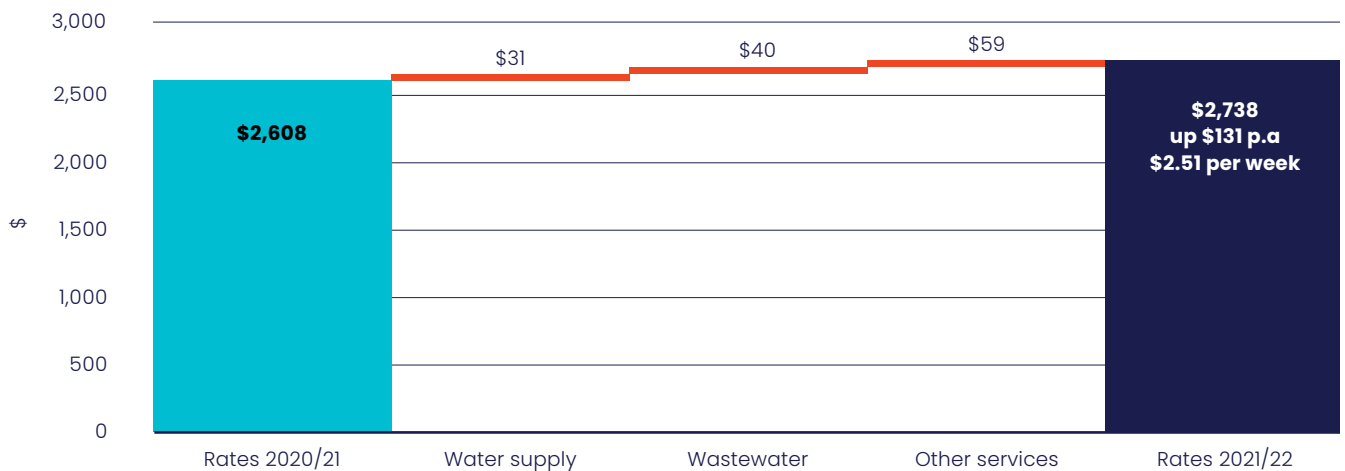
Property, plant and equipment revaluation

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.

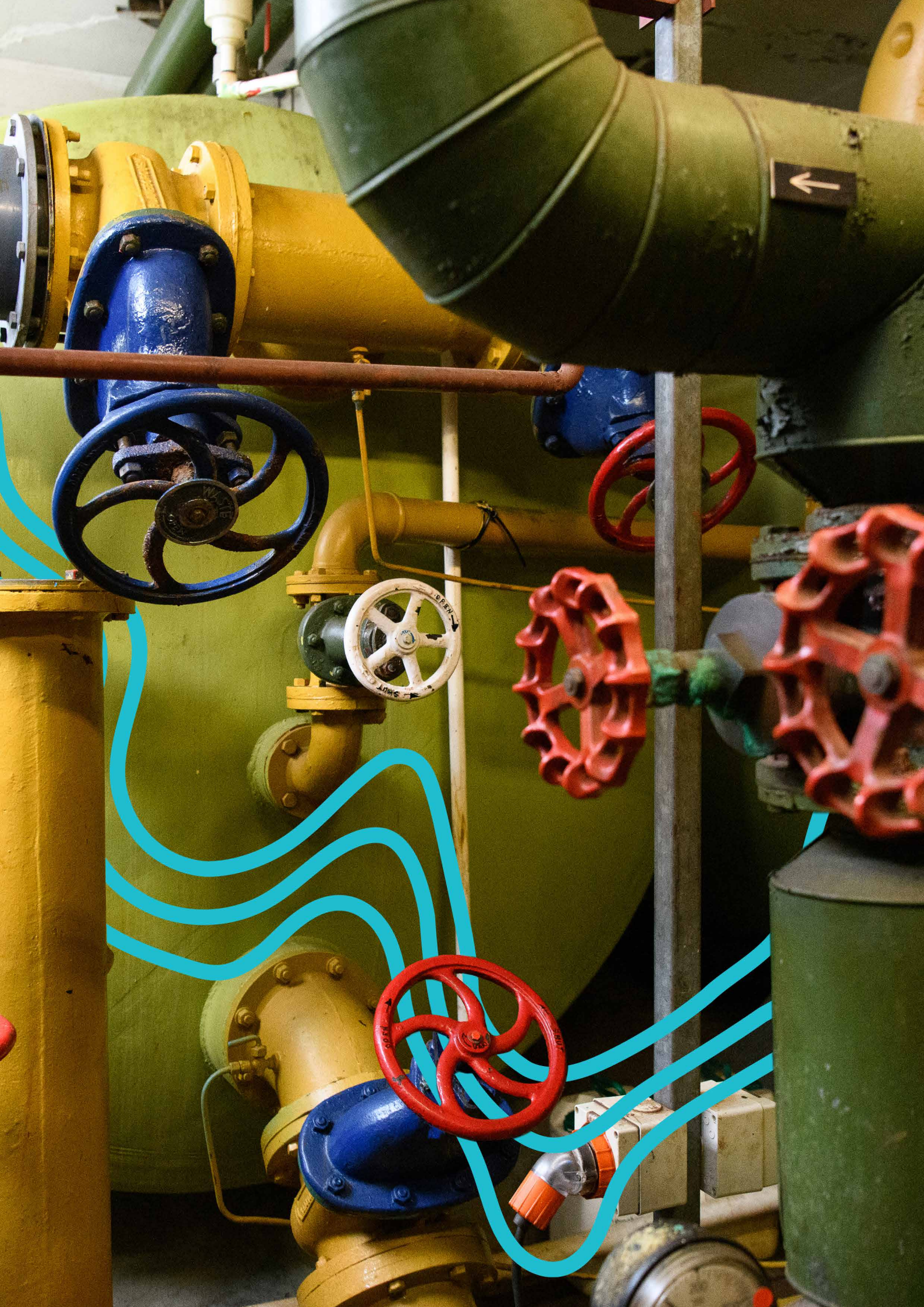


Rates

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?

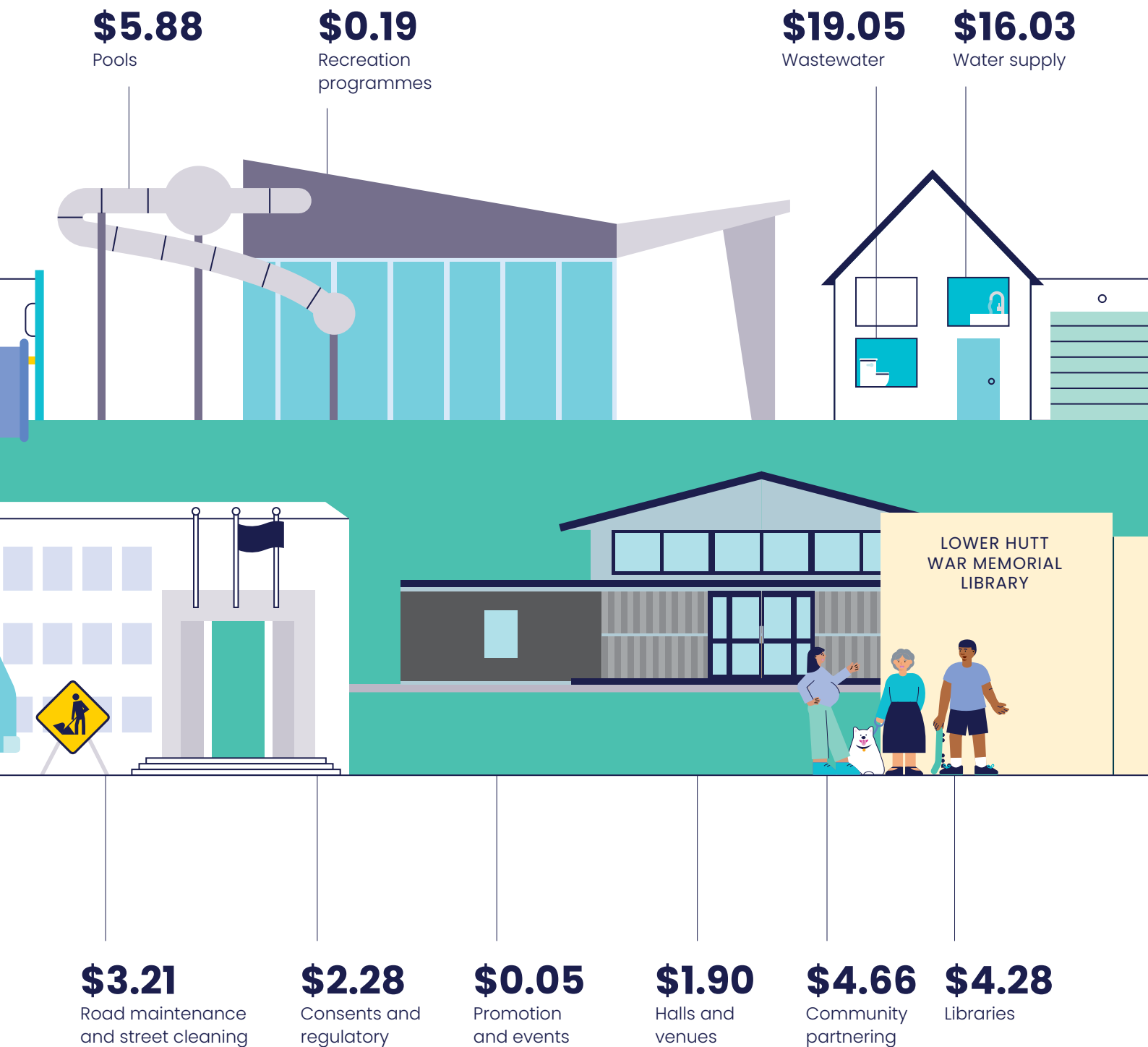
Where are my rates spent?

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.

Summary statement of comprehensive revenue and expenses

For the year ended 30 June	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Total revenue	242,212	212,972	205,560	261,353	229,166
Finance costs	(7,784)	(6,542)	(7,432)	(7,784)	(7,432)
Loss on revaluation of financial instruments	-	-	-	-	-
Other operating expenditures	(208,094)	(205,963)	(181,550)	(222,224)	(200,690)
Share of associate's surplus / (deficit)	-	-	-	507	83
Surplus / (deficit) before tax	26,334	467	16,578	31,852	21,127
Income Tax expense	14	-	28	904	1,301
Surplus / (deficit) after tax	26,320	467	16,550	30,948	19,826
Gain/(losses) on property revaluations	180,310	-	-	197,725	2,206
Impairment gain/(losses) on revalued property	-	-	-	-	-
Deferred tax on revaluation	-	-	-	300	(353)
Total other comprehensive revenue and expenses	180,310	-	-	198,025	1,853
Total comprehensive revenue and expenses attributable to Hutt City Council	206,630	467	16,550	228,973	21,679

Summary statement of changes in equity

For the year ended 30 June	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Equity at the beginning of the year	1,386,336	1,343,388	1,332,642	1,426,232	1,404,553
Total comprehensive income	206,630	467	16,550	228,973	21,679
Net assets on Amalgamation of Hutt City Community Facilities Trust	-	-	37,144	-	-
Equity at the end of the year	1,592,966	1,343,855	1,386,336	1,655,205	1,426,232

Summary statement of financial position as at 30 June 2022

As at 30 June	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Current assets	53,982	32,459	31,824	73,694	51,081
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
Current liabilities	77,112	66,823	75,618	79,312	76,938
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	1,592,966	1,343,855	1,386,336	1,655,205	1,426,232
Total equity	1,592,966	1,343,855	1,386,336	1,655,205	1,426,232

Summary statement of cash flows for the year ended 30 June 2022

For the year ended 30 June	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2022 \$000	2022 \$000	2021 \$000	2022 \$000	2021 \$000
Net cash flow from operating activities	50,773	47,846	37,288	53,687	36,698
Net cash flow from investing activities	(69,432)	(76,481)	(32,235)	(72,221)	(31,641)
Net cash flow from financing activities	40,000	28,635	(25,300)	40,000	(25,300)
Net cash flow for the year	21,341	-	(20,247)	21,466	(20,243)

Group results at a glance

	2022 \$M	2021 \$M	2020 \$M	2019 \$M	2018 \$M
Net Surplus / (Deficit)	30.9	19.8	(18.2)	(14.8)	-
Total assets	1,966.2	1,717.1	1,718.2	1,607.7	1,611.6
Total liabilities	311.0	290.9	313.6	260.6	244.7
Total equity	1,655.2	1,426.2	1,404.6	1,347.1	1,366.9

Notes:

1. The specific disclosures included in the summary financial report have been extracted from the full financial report. The full financial statements have been prepared in accordance with Tier 1 PBE Standards.
2. The summary financial report has been presented in New Zealand dollars.
3. The summary financial report cannot be expected to provide as complete an understanding as provided by the full financial report. The full financial report dated 20 December 2022 has received a qualification in its audit report in relation to two performance measures (for more information see the 'Wellington Water performance measurement systems' notes on page 35). A copy of the financial report may be obtained from Council's website huttcity.govt.nz.
4. This summary financial report has been examined by the auditor for consistency with the full financial report.
5. This summary financial report has been prepared in accordance with PBE FRS-43.
6. This summary Annual Report was authorised by the Chief Executive Officer of the Hutt City Council on 20 December 2022.

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.

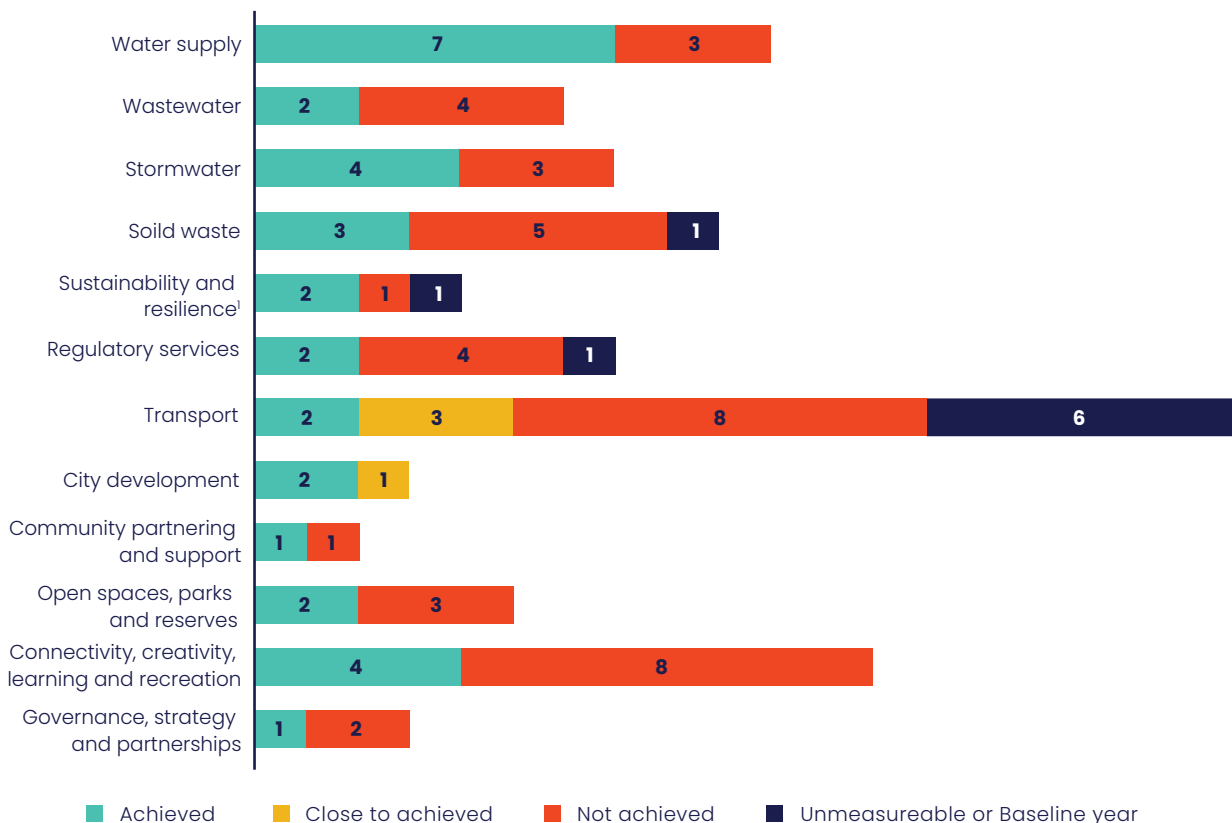
Some KPIs reflect the issues associated with the introduction of rubbish and recycling changes at the start of the year, such as residents' satisfaction with rubbish, recycling and collection services and the amount of contaminated recycling diverted to landfill.

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:



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.

Ngā Pūnaha tātaritanga o Ngā Wai Hangarua

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.

Te Whakahoutanga o Ngā Wai e Toru

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 in the full Annual Plan). 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.

Pūrongo Kaitātari Kaute

Independent Auditor's Report

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

The summary of the annual report was derived from the annual report of the Hutt City Council (the City Council) and Group for the year ended 30 June 2022.

The summary of the annual report comprises the following summary statements on pages 32 to 35:

- the summary statement of financial position as at 30 June 2022;
- the summaries of the statement of comprehensive revenue and expense, statement of changes in equity and statement of cash flows for the year ended 30 June 2022;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the activity statements.

Opinion

In our opinion:

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

However, activity statements information includes a limitation in scope to the equivalent extent as the full audited activity statements in the full audit report. This limitation is explained below in the *full annual report and our audit report thereon* section.

Summary of the annual report

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

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

The full annual report and our audit report thereon

We expressed a qualified opinion on the City Council's activity statements in the full audit report, and an unmodified opinion on the other audited information in the full annual report for the year ended 30 June 2022 in our auditor's report dated 20 December 2022. The basis for our qualified opinion on the activity statements in the full audit report is explained below.

Basis for our qualified opinion

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.

Information about this matter is also disclosed on page 35 of the City Council's summary annual report.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the disclosures about the Government's three waters reform programme announcement as set out in the full annual report, note 31 on page 183 of the financial statements. The Government announced it will introduce legislation to establish four publicly owned water services entities to take over responsibilities for service delivery and infrastructure from local authorities 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. This matter is addressed on page 35 of the summary financial statements.

Our auditor's report on the full annual report also includes an emphasis of matter paragraph drawing attention to the inherent uncertainties in the measurement of Greenhouse gas emissions. The Group 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 of the activity statements in the full annual report, which outlines the inherent uncertainty in the reported GHG emissions. Quantifying 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 sources are still evolving, as are GHG reporting and assurance standards. This matter is disclosed on page 34 of the summary of the annual report.

Council's responsibility for the summary of the annual report

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

Auditor's responsibility

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

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

In addition to reporting on the summary and full annual reports, and we have performed a limited assurance engagement related to the City Council's debenture trust deed. Other than this engagement, we have no relationship with, or interests in, the City Council and 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

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