# Mahere Tekau Tau 2024–2034

## Our 10 Year Plan 2024–2034 Amendment

# Ngā hua o roto
Contents



# Nau mai ki tō tatou mahere tekau tau
# Welcome to our 10 Year Plan 2024-2034 Amendment

We need to make an amendment to the 10 Year Plan 2024-2034 because councils in the metro Wellington region will no longer fund, own or operate water services once they are transferred to Tiaki Wai on 1 July 2026. This is a major change and has direct impacts on how these services are delivered and accounted for.

Under the new model, water services will no longer be included in Council rates, and Tiaki Wai will directly charge property owners for water services.

The Local Government Act requires any significant change to the Council's strategic direction or financial framework to be reflected in the 10 Year Plan.

This update ensures transparency about the shift in responsibilities and provides accurate financial planning for the coming years.

## Tiaki Wai

In 2023, the Government introduced Local Water Done Well, setting expectations for safe, reliable and financially sustainable water supply, wastewater and stormwater services.

Tiaki Wai is the regional response to that challenge, ensuring the network is fit for purpose now and in the future. Mana Whenua support and are participating in Tiaki Wai.

Hutt City Council, Porirua City Council, Upper Hutt City Council, Wellington City Council and Greater Wellington Regional Council have jointly agreed to set up this council owned organisation to own the water services assets and manage water supply, wastewater and stormwater services across the region.

The need for change has been recognised for some time. The 2016 Havelock North contamination event highlighted the importance of strong oversight and risk management in ensuring safe drinking water. Across New Zealand, decades of underinvestment have contributed to ageing pipes and infrastructure that will require major replacement and renewal.

Tiaki Wai has been designed to give the region a more consistent, better-resourced and future-focused approach to water services. Tiaki Wai will plan and invest across the whole metropolitan area, respond to long-term infrastructure challenges, and avoid the constraints of individual council funding cycles.

A Partners' Committee has representatives from each Council and Mana Whenua. The Partners' Committee will issue a Statement of Expectations for Tiaki Wai, monitor the implementation of the Statement of Expectations, monitor the financial and non-financial performance of Tiaki Wai, and appoint and remove Directors of the Board.

## Why is Council not consulting on this 10 Year Plan amendment?

Our communities expressed support for the new Tiaki Wai model in consultation in early 2025, so further consultation is not required.

A clear majority across the region expressed support for what is now the Tiaki Wai operating model, including 73.5 percent of Lower Hutt respondents.

From 1 July 2026, Tiaki Wai will own and operate the region's water supply, wastewater and stormwater assets, and will be responsible for funding, delivering and billing property owners for these services. This 10 Year Plan amendment gives effect to that change and ensures Hutt City Council's planning and financial information accurately reflects its reduced role from 1 July 2026 onwards.

The next full review of Council's strategic direction, budgets and infrastructure planning will occur through the 10 Year Plan 2027-2037.

# **Ngā Whakahounga**
# Summary of amendments

The following documents of the 10 Year Plan 2024-2034 have been amended to reflect the decisions made.

| Document | Description of key amendment |
|---|---|
| **Significance and Engagement Policy** | To minimise unnecessary duplication and inconsistency the policy will be aligned with the Tiaki Wai Significance and Engagement Policy, once it is confirmed. |
| **Revenue and Financing Policy** | All references and content related to water supply, wastewater and stormwater have been removed.<br>A new category for water utilities has been created. |
| **Development Contributions Policy** | All references to water supply, wastewater and stormwater have been removed.<br>All capital projects and charges related to these activities have been removed from Schedule 1 of the policy.<br>All catchment maps have been removed as the remaining Transport charge applies district-wide.<br>Check out the full policy on our website. |
| **Rates Remission Policy** | All references to water supply, wastewater and stormwater have been removed from the policy. The policy will apply to Hutt City Council rates only from 1 July 2026. |
| **Infrastructure Strategy** | Water supply, wastewater, and stormwater have been removed from year three of the 10 Year Plan and onwards. The strategy now reflects the Tiaki Wai ownership of these services from 1 July 2026. All projects identified in the Infrastructure Strategy have been transferred to Tiaki Wai to deliver. |
| **Financial Strategy** | Budgets are updated to remove impacts of all water supply, wastewater, stormwater, waters-related subdivision and trade waste operating and capital costs, revenue, assets, liabilities and debt from year three of the 10 Year Plan and onwards. |
| **Statements of service performance** | Water supply, wastewater and stormwater service performance measures were removed from year three of the 10 Year Plan and onwards. Remaining performance measures were reviewed and reorganised. |

# **Rautaki pūtea**
# Financial strategy

## Background

The financial strategy enables investment into Te Awa Kairangi ki Tai Lower Hutt in a sustainable way.

The strategy was prepared for the 10 Year Plan 2024-2034 ahead of changes to the Government's water reform programme. The strategy included funding for a significant programme of work aimed at improving the city's water services. Due to the establishment of Tiaki Wai and the transfer of water services assets and operational delivery, Hutt City Council will no longer deliver this programme of work.

The financial strategy has been updated to reflect the financial impact of this key change.

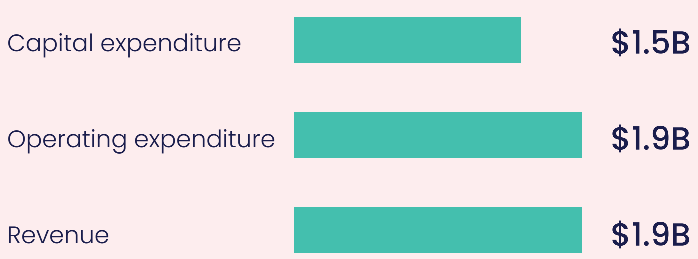
## Changes to the strategy

The key changes to Council's strategy are reduction in operating and capital spend as well as revenue related to water services. This has the impact of reducing the projected rates revenue increases and net debt forecasts. Based on the current financial projections and budget assumptions, it also means we are expecting to reach balanced operating budgets earlier than previous plans which included budgets for water services. This is dependent on the decisions made by elected members.

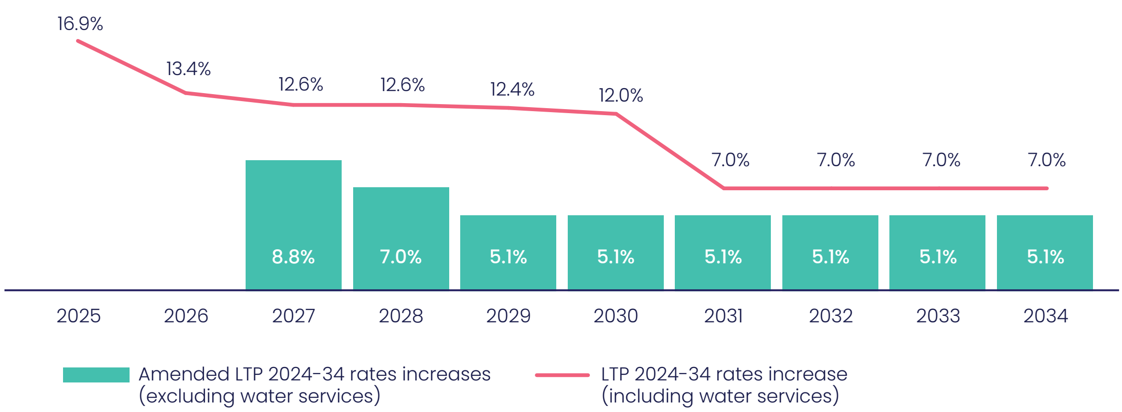
## Financial projections

Key changes in financial projections are presented below. These mainly impact water services activities.

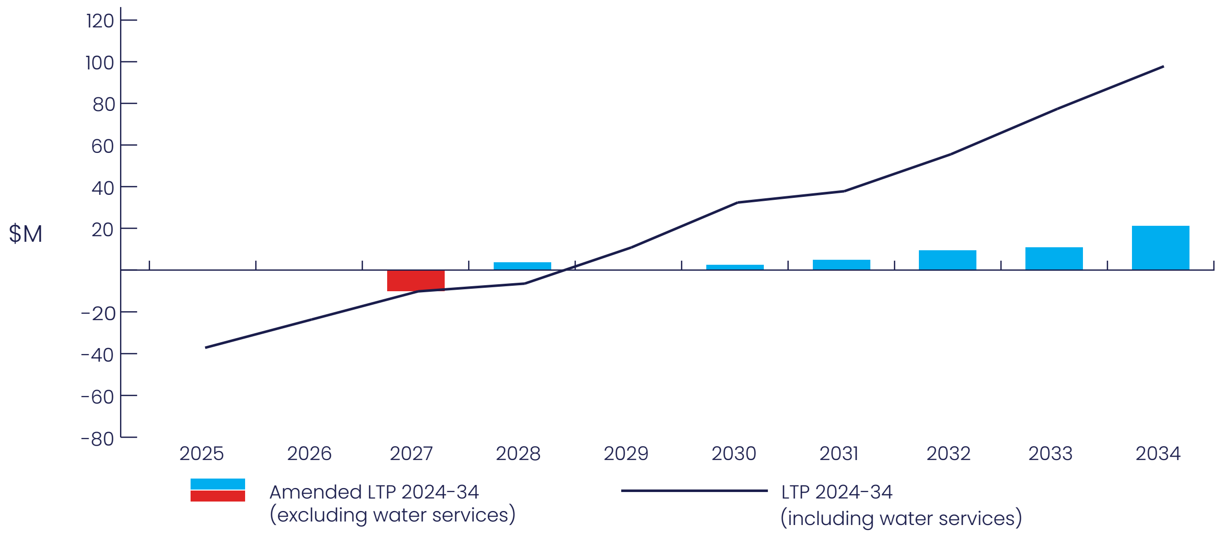
### Budget reduction 2027 to 2034




### Long term rates increase projections (after growth)

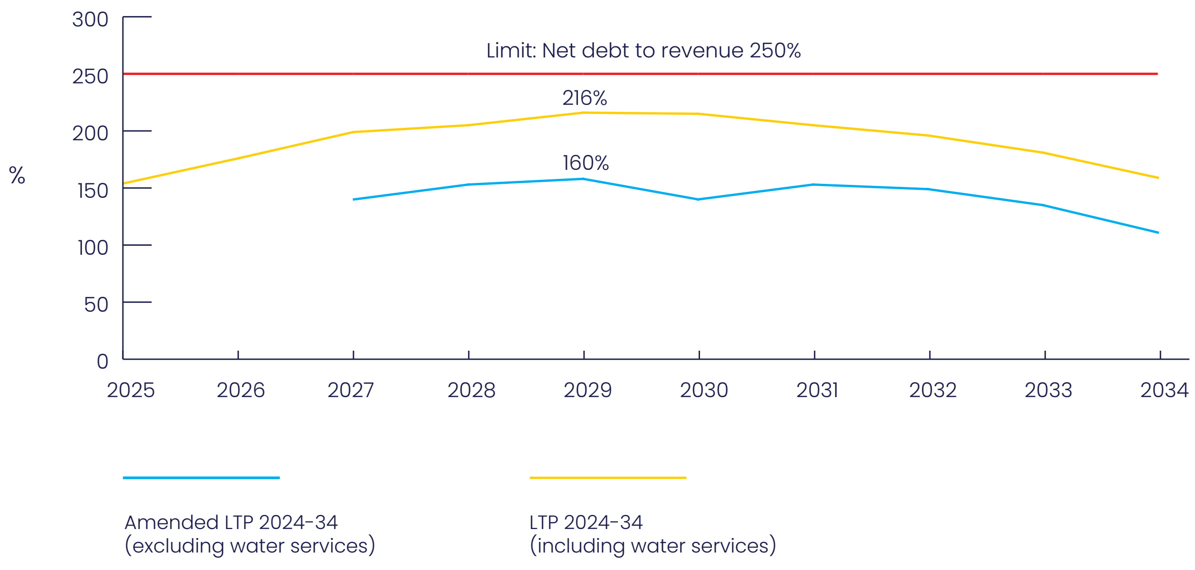


## Balanced Operating Budget




Council meets the legislative balanced budget requirement as defined in s100 of the Local Government Act 2002 from 2027 in the Amended 10 Year Plan (you can refer to our Financial Strategy for further details). The legislative calculation includes capital grants and subsidies which can only be applied to capital projects and cannot be used to fund everyday operational costs over the period. As Council is projecting to receive significant capital grants and subsidies over the period of the plan, the legislative calculation makes it appear that there is more income available to meet everyday operational costs than there actually is. Therefore, we have excluded capital improvement subsidies and capital grants from the graph to only show the projected operating balanced budget for everyday operational income and costs.

## Net debt to revenue




The net debt to revenue ratio is set at a limit of 250%, which is within the Local Government Funding Agency debt covenants limit of 280%. Council has set a limit lower at 250% as it considers it essential to maintain headroom and the ability to fund the impacts of significant natural disasters should they occur, such as extreme weather events or earthquakes.

**Further detailed financial information can be viewed in the Annual Plan 2026-2027.**

# Te reweniu me ngā Kaupapa here pūtea
# Revenue and financing policy

## He whakatakinga

### Introduction

A number of funding sources are available to Council to fund its activities, ranging from general and targeted rates through to fees and user charges. This policy outlines Council's approach to funding its activities. It provides information on what funding tools are used and who pays, as well as describing the process used to make these decisions. The Revenue and Financing Policy sets out the rules for sharing the costs of running the city.

This policy should be read in conjunction with the funding impact statement. The funding impact statement is the mechanism used to implement the Revenue and Financing Policy and provides details on how rates are set.

## Ngā panonitanga o te Kaupapa here

### Changes to the policy

In the policy, Council proposes:

- no changes to the overall rating framework, ie, retain the use of Capital Value, no introduction of a Uniform Annual General Charge (UAGC) and retain the policy of applying a fixed general rates allocation across existing main property categories;
- minor updates to policy wording to reflect removal of water services activities;
- the creation of a new "Water Utilities" general rate allocation category and move the five water utility rating units from the "Utilities" to the new "Water Utilities" category; and
- to fix general rate allocations for the Utilities and Water Utilities categories at 2025-2026 levels.

The proposed changes to the Utilities category are targeted and technical in nature. They are intended to maintain consistency for properties within the utilities sector.

**Check out the full policy on our website**

# **Rautaki hanganga**
# Infrastructure strategy

## Background

Investment in infrastructure ensures we have a connected, resilient city where people and communities thrive.

The Infrastructure Strategy was prepared for the 10 Year Plan 2024-2034 ahead of changes initiated by the Government's water reform programme. It sets out the investment strategy that Council will take on core water and roading projects over the next 30 years.

Due to the transfer of water services assets and delivery to Tiaki Wai, Hutt City Council will no longer deliver this programme of water services work.

The Infrastructure Strategy will undergo a full review as part of the 10 Year Plan 2027-2037 because of the transfer of water services. In the interim, the water services projects and monitoring described in the current Infrastructure Strategy should be read as the responsibility of Tiaki Wai.

## Changes to the strategy

Water Supply, wastewater and stormwater are considered removed from the strategy outcomes and scope of the Infrastructure Strategy.

From 1 July 2026, management of the core water infrastructure networks outlined in the Infrastructure Strategy shifts to Tiaki Wai.

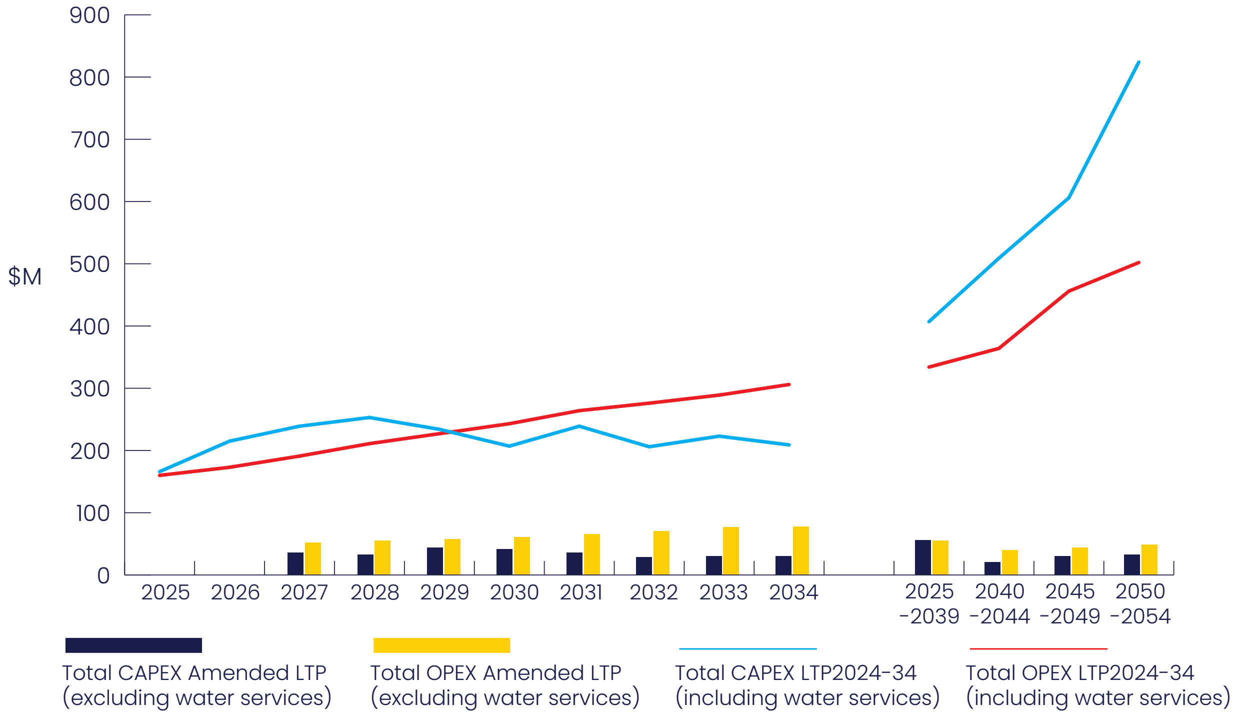
The challenges and risks resulting from ageing water infrastructure remain. More intense weather events will continue to impact our city and place pressure on the stormwater network. Responding to these challenges will be the responsibility of Tiaki Wai.

The responsibility for reporting mandatory performance measures for water services has shifted from Council to Tiaki Wai.

## Financial projections

The costs associated with water services have been removed from the total capital and operational expenditure budgets, refer to graph below.

## Total spend



# Ngā Kaupapa Here
# Policies

## Kaupapa here mō ngā take hirahira me ōna tikanga whakapā

### Significance and Engagement Policy

All councils are required to have a Significance and Engagement Policy under the Local Government Act 2002. Hutt City Council's Significance and Engagement Policy sets out the general approach that Council will take to determine the significance of proposals and decisions relating to issues, assets or other matters. It also sets out the criteria or procedures that are to be used by Council in assessing the extent to which issues, proposals, assets, decisions, or activities are significant or may have significant consequences. The policy clarifies how and when communities can expect to be engaged in decisions about different matters.

The policy must be reviewed every three years and is next due for review in 2027.

## Kaupapa here muru rētī

### Rates Remission Policy

Councils can have a Rates Remission Policy to provide relief from rates. These are set in accordance with section 102(3) of the Local Government Act 2002.

A Rates Remission Policy provides a reduction in the amount of rates payable on a property.

Council reviewed the Rates Remission Policy for the 10 Year Plan 2024-34 and made no changes. The policy will grant relief in eight different scenarios, including some rates for schools.

The policy must be reviewed every three years and is next due for review in 2027.

## Ngā panonitanga o te Kaupapa here

### Changes to the Significance and Engagement Policy

From 1 July 2026, Tiaki Wai, a council-owned water organisation, will deliver drinking water, wastewater and piped stormwater services across the metropolitan Wellington area.

From 1 July 2026, references within the policy will change to reflect Council's new role following the transfer of assets to Tiaki Wai.

Any engagement or consultation about decisions, proposals, significant contracts and joint water service provider arrangements Tiaki Wai intends to make will generally be conducted by Tiaki Wai in accordance with the Tiaki Wai Significance and Engagement Policy.

The Council's Significance and Engagement Policy will be amended to remove water related assets from the list of strategic assets.

A transition note will be added to the Council's Significance and Engagement Policy to outline the amendments.

**Check out the transition note and full policy on our website**

## Ngā panonitanga o te Kaupapa here

### Changes to the Rates Remission Policy

Hutt City Council has agreed to transfer all water infrastructure, services and reporting to Tiaki Wai. As a result, references to water supply, wastewater and stormwater are now considered removed from the Rates Remission Policy. These changes ensure the policy accurately reflects Council's changed role in water services. Any remissions granted under the updated policy will apply to Council rates only and does not apply to water charges.

**Check out the full policy on our website**

HUTT CITY
TE AWA KAIRANGI