



# Whakarāpopoto Pūrongo ā-Tau 2020–2021 Annual Report Summary 2020–2021




# 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 mouna 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 Mouna i te wā i a Māui ki te whakapuare i te wahanui o Te Ika Whakarau a Kutikuti Pekapeka. I ahu mai i Te Wai Mānga, i a Rua Tupua, i a Rua Tawhito, Ko Ngake, ko Whātaitai. Ka timu ngā tai o Te Wai Mānga, ka pari 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 freshwater lake, tasked with prising open the mouth of the great fish.

It is Pukeatua that stands above the waters of Awamutu and Waiwhetū, the home of Arohanui ki te Tangata of Ngāti Puketapu, Te Matehou, and Ngāti Hāmua, flowing out to the life-giving waters at the mouth of Te Awa Kairangi. This is the spring that gives life to the people. This spring which will never be diminished, it will continue to flow, it will continue to flourish. Te Awa Kairangi that flows down from its source at Pukemoumou in the Tararua Ranges and over these lands as a sheltering haven for the people.



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# He kupu nā Te Koromatua Campbell Barry

## Message from Mayor Campbell Barry

*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!*

I'm incredibly proud of the progress we have made together over the past year, particularly as we have navigated a challenging and uncertain time.

The past 12 months have been dominated by COVID-19 and the effects that changing Alert Levels have had on our people and businesses. That's why we have focused on doing all we can to assist our local recovery and worked hard to avoid delays in tackling the challenges we face as a city.

We know the challenges we collectively face in Lower Hutt. Our ageing infrastructure, significant urban growth, and historic under-investment have meant that we've hit a critical juncture in our city's history. Instead of burying our heads in the sand, we are tackling these challenges head on.

We have ramped up our capital spending programme, the lion's share of which funds much-needed core infrastructure. This focus

is already driving improved performance in terms of our capital investment programme, which saw a 68 per cent increase in capital spending in comparison to the previous year. Ultimately, this represents millions more in our three-water infrastructure, in transport, and in community facilities.

Over the past year, we've spent just under \$25 million on improving and renewing our water network. This is vital to ensure that our drinking water is clean, our stormwater pipes don't overflow, and our wastewater doesn't regularly end up in our waterways.

We have delivered transport projects such as the Beltway Cycleway which runs from Taitā to Waterloo train station – an important part of our growing active transport network. We've reopened the refurbished Days Bay Wharf and built the Les Dalton Dog Park in Wainuiomata. We have also made changes to key policies that will ensure we are in a financially sustainable position for the long-term. This includes improvements to our Revenue and Financing Policy which outlines the way we fund our services now and in the future. And our Development Contributions policy is now more equitable as it requires developers to pay their fair share of the costs of growth infrastructure their developments put on our city.

We have also changed our approach to procurement to ensure that when we spend money on projects, we spend it where it benefits local people and local supply chains the most. COVID-19 has reaffirmed the importance of supporting local, and this change will assist our recovery.



One of the most significant achievements from last year was securing government co-funding for two critical projects: the rebuild of Naenae Pool and the construction of the Eastern Bays Shared Pathway. This support from central government enables progress with certainty, reduces the burden on ratepayers, and will help unlock a range of other outcomes for our people and local business.

While this Annual Report is about looking back and reflecting on the year that was, it's important to consider the steps we have taken over the past 12 months to plan ahead.

In particular, we've adopted a bold and ambitious 10-year plan which is unapologetic about the need to get the basics right. We engaged with the community on levels we haven't done before, and adopted a \$1.5 billion plan which will invest \$587 million in our three-waters network, \$406 million in transport, \$89 million in community infrastructure projects Naenae Pool and Petone Wharf, and \$138 million into RiverLink.

Alongside changing our Development and Financial Contributions, and Revenue and Financing policies, we also went line by line through our budget, and identified significant year on year savings to lower the level of rate increases required over the life of the plan.

I love our city, and it is the privilege of my life to serve Te Awa Kairangi ki Tai Lower Hutt as Mayor. I'm proud of the significant progress we have been able to achieve as a community over the past year, but there is still more to do. I am looking forward to working with you in the year ahead to continue to deliver on the things that matter most to you and people across our city.

***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**

Koromatua o Te Awa Kairangi ki Tai  
Mayor of Lower Hutt





# He Kupu nā Te Tumu Whakarae Jo Miller

## Message from Chief Executive Jo Miller

*E aku amorangi, e aku hāpai ō,  
e ngā pou manaaki o te hapori*

*E whakapuāwai ai te hunga e noho  
koni ahi ana i Te Awa Kairangi ki Tai*

*Tēnā tātou katoa!*

*To the leaders and workers alike, to the  
supporting pillars of our community*

*Enabling the people who live within the  
Hutt City to thrive*

*I greet us all!*

This Annual Report showcases the many ways that we support our city to thrive. Mayor and Council have set a new pathway to achieve this by agreeing to six priorities which are set out in our new 10-year plan. We work closely with a wide range of partners at both central government and community levels to help us progress these priorities.

In many ways, this past year has been about building strong foundations for our future with COVID-19 as the backdrop.

We've undertaken an organisational design programme to ensure that we have resources in the right place to achieve the priorities Council has set for us to deliver on.

We have established in-house expertise in key areas such as procurement and project management which are essential for successful delivery of our ambitious capital programme. Our new financial strategy enables the capital programme that includes Riverlink, Eastern Bays Shared Pathway and Naenae Pool by increasing our borrowing cap and managing rates increases with the aim of achieving a balanced budget before the end of the decade.

We also made good progress on our capital programme with \$65 million of projects delivered. Our year-end underlying net operating result is well within the approved budgeted deficit of \$22.7 million, with a significantly improved result delivered a \$10.9 million deficit.

We have established a strong financial base and been awarded another strong AA Standard and Poor's international credit rating with a stable outlook, which puts us in a great position to deliver our investment programme.

We have set about creating new partnerships this year, particularly in the area of housing. We reset the focus of our Council-Controlled Organisation Urban Plus Ltd, enabling more homes to be built for those most in need.



Housing affordability and supply are critical issues for our people, especially with a growing population; despite a 7.5 per cent increase in 2020/21 building consents, demand for housing remains high.

The implementation of a new residential rubbish and recycling service and the publication of our inaugural internal carbon reduction plan are significant milestones. If we want to make Te Awa Kairangi ki Tai Lower Hutt more resilient and a place where everyone thrives, we need to take key steps and actions to reduce our carbon footprint, reduce waste and take more care of our bit of the planet.

I'm pleased that we continue to see high visitor numbers to our facilities, and with more content online we are reaching even more people in our community. Residents tell us that our overall performance remains high (84 per cent) and four out of five residents feel we have a good-to-excellent reputation. Satisfaction with the quality of services and facilities also remains a high at 86 per cent. Ensuring residents have access to quality services and facilities has the greatest impact on perceptions of our reputation so this will continue to be a focus area for the year ahead.

I'm proud of our collective work. My thanks to our great council staff team, to our community partners and to the Mayor and Councillors for providing guidance and support as we serve our city and community.

***Ehara taku toa i te toa takitahi,  
engari he toa takitini.***

*Success is not the work of one,  
but the work of many.*

Ngā mihi nui

**Jo Miller**  
Tumu Whakarae  
Chief Executive





# Ko tā mātou whakakitenga mō Te Awa Kairangi ki Tai

## Our vision for Lower Hutt

### He tāone whai hua ki hōna tāngata

A city where everyone thrives

Te Awa Kairangi ki Tai Lower Hutt is a vibrant and diverse city, inhabited by passionate people and communities. It is our collective strength, energy, creativity and expertise that will allow us to build a resilient and connected city where all of our people thrive.

We aim to secure the foundations of our city by creating a place that residents enjoy, that attracts innovators, and generates new business and employment opportunities.

As we work towards our vision, we are mindful that our city faces significant challenges, particularly from rapid growth and the physical and social infrastructure needed to support that. As more people choose to make Te Awa Kairangi ki Tai Lower Hutt their home, we need to ensure we are properly investing in our infrastructure to keep pace with this growth.

We are committed to fronting such challenges head on: to build the foundations our city needs for its future. This means lifting and sustaining investment to ensure our infrastructure assets and natural environment remain in good shape for future generations. It means managing our finances prudently and ensuring our rates, fees, charges and costs are fair and shared equitably among those who will benefit. Our everyday costs must be within our means. Borrowing for these should never be an option.

We are here to serve our community. We will continue working with you to navigate challenges and make the most of the opportunities that come our way to ensure the wellbeing of all.

### Hō mātou uara

#### Our values

We are centred on creating a city in which everyone thrives. That means doing what's best for our community, making a difference, and being proud of the things we do.

Our values help us understand what's most important, guide our decisions and shape our actions every day. They support us to continue to do the best work we can.

Embracing these values means we are compassionate, upfront and honest. We seek out different opinions and perspectives and we always choose to do the right thing, even if it is the hardest thing to do.



**Manaakitanga**  
Show you care



**Te Hononga**  
Be connected



**Kia Kaha**  
Have courage



# Hō mātou whakaarotau

## Our priorities

Over the past year, we undertook significant engagement around the development of our 10-Year plan. Through this, we held conversations with communities across the city to understand what was important to them, and the areas they felt needed prioritising over the next decade.

As a result, we identified six priorities that underpin our 10-Year plan. These six priorities reflect our 'back-to-basics' approach, and

our commitment to managing our biggest challenge: balancing investment in key infrastructure and our communities, while strictly controlling expenditure.

Broadly, the 10-Year plan has a big focus on delivering the core infrastructure that will ultimately enable all those who live and work in our city to thrive.



### 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.



### 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 ki Tai Lower Hutt to make our city an attractive place to work and invest.



### Tiaki Taiiao 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.



### 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.



### Tūhono Hapori Connecting communities

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



### 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 Kīwei o Te Kete

## Partnership with Mana Whenua



*Tēnei ake anō ko ngā kīwei o te kete,  
kei a au tōku, kei a koe tōu.*

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

First and foremost is our relationship with Mana Whenua, who have historic and territorial 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 sustenance for the people and enables hospitality for guests. Mana Whenua interests are represented by five iwi (tribal) organisations and two Mana Whenua marae in Te Awa Kairangi ki Tai Lower Hutt – Te Tatau o Te Pō and Waiwhetū Marae.

As a local authority, council is guided by a legal framework that includes provisions for Māori and an obligation to include Māori in decision-making. These statutory obligations may be the foundations for organisational policy and delivery but, on their own, they do not adequately emphasise the importance of The Treaty of Waitangi (Te Tiriti), partnership with Māori, and the critical value that this unique relationship can bring to the city.

Council's vision is that we will meaningfully embrace and incorporate the Te Ao Māori (Māori worldview) in our policies and practices, be aware and responsive to Māori needs and aspirations, and fulfil its 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 that requires teams to think about the role of Māori in the planning and delivery of our work programmes and the equitable resourcing for this in line with Council obligations to Māori.







# Tō tātou tāone

## Our city

### Population

112,000 is the resident population count in 2021, with 38,000 households.

Taita 6%

Central 28%

Western Hills 12%

Wainuiomata 18%

Stokes Valley 9%

Naenae 13%

Petone 9%



Community wellbeing is at the heart of everything we do. Our approach to delivering four aspects of community wellbeing – social, economic, environmental and cultural – is guided by the Local Government (Community Wellbeing) Amendment Act 2019.

As we focus on getting the basics right, we are looking to build strong foundations for our communities. We want to ensure our city is one in which everyone thrives – socially, economically and culturally – in an environment that is nurtured and life-sustaining for future generations.

### Population by age group

21%

are parents and homebuilders

(35–49 yo)

16%

are from our young workforce

(25–34 yo)



### Ethnicity

68%

European

18%

Māori

11%

Pacific Peoples

15%

Asian





## Household Tenure

**38%** **24%**  
have a mortgage Fully own their property

## Education

**15%** **11%**  
have a Bachelor's Degree with a Postgraduate Degree

## Employment

**74%** **19%** **7%**  
are employed full-time are employed part-time unemployed

## Playgrounds

**56**

Council playgrounds in Lower Hutt

## Man's best friend

**9,440**  
dogs registered in Lower Hutt





## Oranga hāpori Social wellbeing

### Visits to our facilities

**1,056,180**

Libraries

**1,096,190**

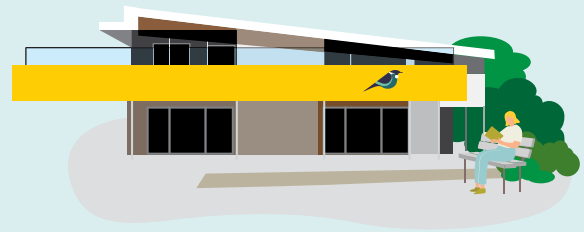
Hubs

**759,973**

Pools

**185,430**

Museums



### Resident's satisfaction survey

**Family &  
whānau is  
doing well**

**75%**

**Quality of  
life is good**

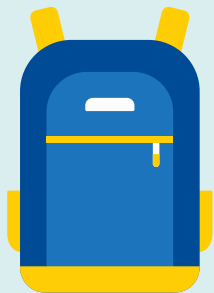
**89%**

**Hutt City  
is a great  
place to live**

**85%**



### Highest attainment of school leavers in 2020



**7%**

NCEA Level 1

**23%**

NCEA Level 2

**17%**

NCEA Level  
3 or higher

**39%**

University  
Entrance



**More than half  
our population is  
under the  
age of 40**

### Relationship with council

**53%**

Understand  
how council  
make  
decisions

**65%**

Feel  
consulted  
by council

**27%**

Overall  
satisfaction  
with public  
engagement  
and consultation





**Social connections play an important role across many aspects of our lives, from finding employment, to finding a place to call home, receiving support during difficult times, and having someone to enjoy life and relax with. Social connectedness is a key driver of wellbeing and resilience. Here we highlight the work we have been doing with our communities throughout the year to grow and develop social connections, and work towards happier and healthier communities with people better able to take charge of their lives.**

### **Rangapū hapori e whakamatea ana te kore whare e aupēhi nei**

#### **Local partnership tackles housing crisis**

In May 2021, we launched plans to build 19 new homes for those in desperate need. This community housing development, named Takai Here Tāngata, was part of an innovative partnership with Kahungunu Whānau Services, Te Rūnanganui o Te Āti Awa and CCO Urban Plus Limited. This partnership, the first of its kind in New Zealand, will deliver warm, safe homes built to Homestar-6 standards and provide pathways for whānau into permanent home-ownership over time. The development is expected to be completed in March 2022.

### **Whakapūmau i ngā hononga tāone**

#### **Keeping our city connected**

We completed a two-year refurbishment project to extend the life of Days Bay Wharf in May 2021. The wharf is a feature of Days Bay life, keeping the Eastbourne community connected to other parts of Lower Hutt and Wellington for 125 years, and will now continue for at least another 50. The \$4.6 million project, completed with little disruption to the Wellington ferry service, is part of a broader strategy for the city's four wharves.

### **Taunaki utu whai oranga**

#### **Living wage support**

We took further steps in our commitment to becoming an accredited Living Wage employer in the next financial year, with a move to pay the Living Wage to all of our staff and contractors. This follows our agreement in 2018 to pay the Living Wage to most of our direct staff. As well as ensuring our own staff are paid fairly and can live with dignity, the move signals to our suppliers and local employers that we are positively changing our approach to procurement. Paying the Living Wage has a positive economic impact with wages flowing back into the local economy.



### **Whakamāui KOWHEORI-19**

#### **COVID-19 recovery**

COVID-19 remained the backdrop to our lives and work over the past year. We were prepared for changes in alert levels and the response plans we developed in 2020 held us in good stead. We responded quickly and worked with business through the Hutt Valley Chamber of Commerce and our community, tailoring services and support to meet the needs of our people.



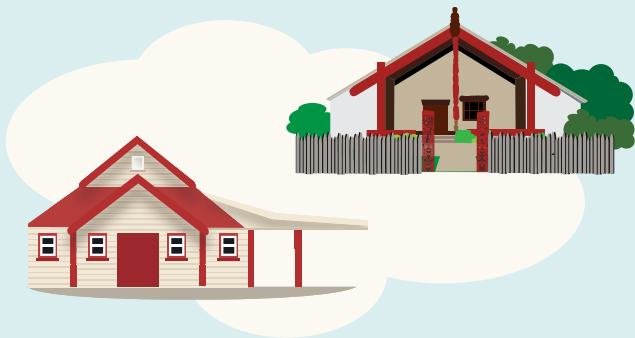
## Oranga ahurea

### Cultural wellbeing

#### Partnership with Mana Whenua

**5** Iwi organisations

**2** Mana whenua marae



#### Resident's participation in groups and clubs

**42%**

Club or society

**11%**

Neighbourhood group

**21%**

Faith-based group

**6%**

Cultural group



#### Ethnicity

**68%**

European

**11%**

Pacific Peoples

**18%**

Māori

**15%**

Asian

**2%**

MELAA\*

**1%**

Other

#### Languages spoken

**75%**

1 language

**23%**

2 or more languages



#### Origin

**74%**

Born in NZ

**26%**

Born overseas



#### Resident's participation in physical activity

Engaged in physical activity  
5+ days a week

**37%**



We live in a diverse city: a quarter of our community were born overseas; 18 per cent identify as Māori, 11 per cent as Pacific Peoples and 15 per cent as Asian. Over 20 per cent speak two or more languages; 20 per cent of our population live in areas that are in the most deprived in New Zealand, while 25 per cent live in areas rated the least deprived. This year our focus has centred on putting our partnership with Mana Whenua and Pacific people into practice, engaging with them regularly and ensuring Te Ao Māori and Pacific world views are at the heart of our work.



## Whakataunga tōpū

### Decision-making with our community

We took our decision making out into the community, working alongside Mana Whenua to ensure their perspectives were heard and understood through several hui held throughout the year. We discussed priorities for the 10-year plan, the ongoing review of the district plan, a review of the street naming policy, and the reset of the Hutt Valley governance group structure.

## Whiria ngā weu kia ū, kia roa

### Ties create connections

We progressed our goals of creating stronger ties with Lower Hutt's Pacific community, which makes up 11 percent of our population. We met with members of the Pacific community and attended Pan Pacific Fono to better understand challenges and improve access to council support. We also helped fund the development and delivery of a community programme aimed at utilising the skills of our non-clinical Pacific workforce in a pandemic response.

## He tāone kano tangata rau e tupu ngotongoto ana

### A diverse and vibrant place to belong

Several national events were held over the year, turning the city into a hive of activity, energy and competition, as well as attracting visitors from around the country and each contributing more than \$100k to the local economy. Events included the return of national hip hop championships, which alone drew 1,300 competitors to our town centre, the national secondary schools' mountain bike championships and the national firefighter championships.

We also helped enable our local communities come together through our event support fund, which supported 28 events throughout the year. These ranged from Te Rā o Te Raukura, the Weetbix Tryathlon and the Petone Rotary Fair to smaller events with Hutt Multicultural Council and the Pomare Taita Community Trust.

## Te huringa tau 50 o Te Whare Toi o Dowse Dowse celebrates 50 years

This year, we celebrated 50 years of the Dowse with a programme reflecting our continued commitment to supporting contemporary jewellery, ceramics, international art practices, profiling regional artists, and projects focused on fashion, street art and hip hop.

Exhibitions included Candy Coated, a pick 'n' mix of artworks by contemporary international and Aotearoa-based artists; and Robert Rapson: Against the Tide, which celebrated the life and work of late ceramicist best known for his idiosyncratic sculptures and encyclopaedic knowledge of boats. In March 2021, the museum celebrated urban art culture with The Most Dedicated: Street Art Festival, a selection of new murals painted throughout the Lower Hutt CBD by internationally acclaimed street art collective, TMD Crew. Responding to changing lockdown levels, we launched an online and in-person speaker programme to reach more of our community.

## Te whai pūkenga ao Māori ā-Kaunihera Organisational cultural competency

We introduced a new Pou Reo Me hōna Tikanga (Māori Cultural Advisor) to the organisation. This was closely followed by recruitment for a Pou Mahere Rautaki (Māori Policy Advisor) and Pou Whakamahere Kaupapa Here (Māori Policy Planner). We've developed a Te Tira Māori Work Plan to focus on growing our capacity to work more effectively with Māori, to create better outcomes for all.



## Kia maha ake ngā rauemi a ngā pātaka kōrero

### Increasing library resources

We improved access to our library resources, with the New Zealand Libraries Partnership Programme funding several streams of work. This included the removal of all charges for public internet access at the library, and a new book collection for children with dyslexia.

We also brought two fixed term staff into our team – a Library Digital Skills Advisor, and a Library Diversity & Workforce Development Advisor – and expanded our range of digital resources.

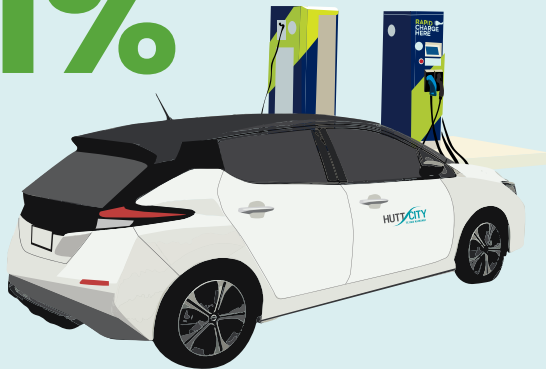


# Oranga taiao

## Environmental wellbeing

### Electric Vehicles in council fleet

# 21%



### Total electric vehicles owned in Lower Hutt



# 678

Light pure electric vehicles



# 173

Light plug-in hybrid vehicles

### Resident's perceptions of environmental problems



# 84%

Traffic congestion



# 40%

Noise pollution



# 23%

Air pollution



# 61%

Water pollution

# 50%

of residents worry about the impact of climate change

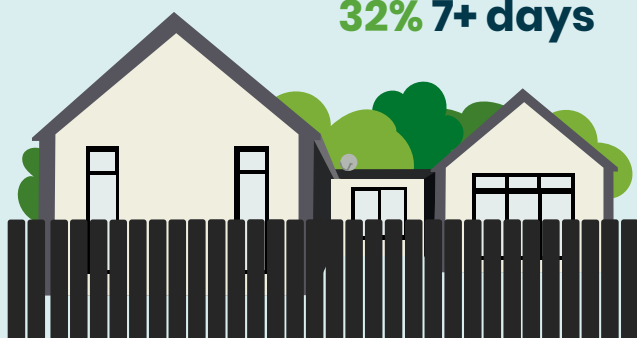


### Households with emergency food and water

# 24% < 3 days

# 44% 4-7 days

# 32% 7+ days



A healthy natural environment is essential for community wellbeing. Addressing environmental issues and concerns, and ensuring communities have access to quality green spaces and clean, safe waterways, have direct positive effects on our communities.

Our year was focused on rubbish and recycling initiatives, developing a governance structure to address climate change, and completing projects that bring our environment to life.



## He rongoā taiao

### Cleaner, greener solutions

Following community consultation in July 2020, we agreed to upgrade the city's kerbside rubbish and recycling – the biggest change to this service in over 20 years and a major milestone for the city and our people. The new service is cheaper for the majority of our residents and increases access for everyone in our city to good quality waste collection.

Work began on the implementation of the new service including asking residents for the bin selections with the new service starting in July 2021. Households can now recycle more which means less waste to landfill. With 5 new electric rubbish and recycling trucks on the road and a fully electric fleet by 2024, this will help reduce carbon emissions and be the largest EV fleet both commercially and municipally in New Zealand.

## Whakaiti tukuwaro

### Reducing emissions

We established a new Climate Change and Sustainability Committee, and adopted an internal Carbon Reduction Plan to reduce council's emissions to demonstrate leadership across Lower Hutt. The Carbon Reduction and Climate Resilience Plan sets out 21 concrete and measurable actions that:

- outline how we will reduce Hutt City Council's corporate emissions to net zero by 2050,
- help reduce Lower Hutt's greenhouse gas (GHG) emissions to net zero by 2050, and
- support our city to achieve climate resilience.

Over 21 per cent of our council-owned vehicles are now electrified, and when conventional vehicles are up for renewal we're replacing them with electric ones. Council also worked with an energy company to open new electric vehicle charging stations in Days Bay and Eastbourne.

We're changing our practices at the Silverstream landfill where green waste will no longer be used for landfill cover but will instead be composted offsite; a new flare was installed to help reduce methane emissions. Eligible council-owned forestry land has been registered to earn carbon credits.

## He taiao rēhia

### Enjoying our natural environment

We officially opened Lower Hutt's first dog park in May, in Wainuiomata. We're a city of dog lovers – Lower Hutt has one of the highest rates of dog ownership in the country, so it's important there are safe exercise spaces available for our 10,000 canine residents. Posthumously named after Les Dalton, a member of Hutt City Council's Animal Services team for 43 years, it is the city's first purpose-built dog exercise park. In a joint initiative with Wellington City Council, we also replaced plastic dog registration tags with metal ones designed to last a dog's lifetime. The result is less plastic going to our landfills.

## Kua tuwhera te ara paihikara

### Beltway Cycleway launches

Construction was finished on the first section of the Beltway Cycleway, a new cycleway from Waterloo to the River Trail at Taitā. Completion of the initial stage represents a major milestone for active transport and micromobility in Lower Hutt, offering a safe cycling connection across a major transport route. The project complements other current and future shared pathways, such as Te Hīkoi Ararewa (Wainuiomata Hill Shared Path), Te Ara Tupua (Ngāūranga to Petone Shared Path), and the Eastern Bays Shared Path.

## Awa i Āpiti – he whakapūmau i ngā hononga

### RiverLink – reconnecting city and river

In June 2021 we were poised to lodge resource consent applications for RiverLink, the largest infrastructure project in Lower Hutt's history. Alongside creating better transport connections and making our city more resilient, Riverlink will help boost economic and urban growth and protect the most densely-populated flood plain in New Zealand. We're investing \$138.5 million with a focus on rejuvenating the CBD and turning the face of the city centre towards the river. The work includes space for new apartments, better public transport access, and improved spaces for micromobility use. The project also complements the new Melling Interchange and the flood protection work that our partner agencies (Greater Wellington Regional Council and Waka Kotahi NZ Transport Agency) have funded.



# Oranga ōhanga

## Economic wellbeing

### GDP \$



**\$6,727M**

### Median annual individual income



**\$34,700**

### NEET rate

*Youth not in employment, education or training*

**7.0%**

*15-19-year-olds*

**8.9%**

*20-24-year-olds*

### Consumer spending

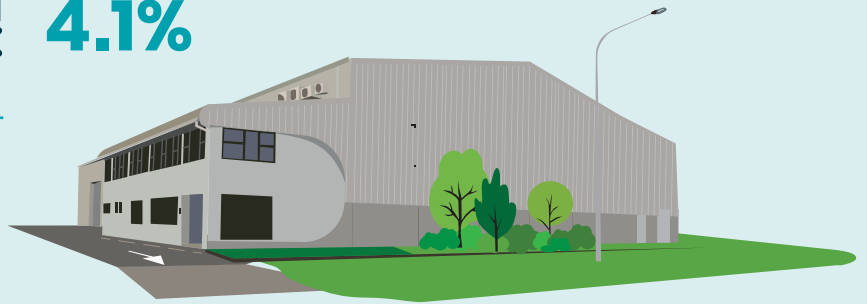


**\$1,408M**

### Unemployment rate



**4.1%**



**10,902**

**Businesses**  
*10,623 FY19-20*

**1,089**

**Medium and high tech businesses**  
*1,053 FY19-20*



**5,018**

**Jobseeker supplement recipients**

### 840 new residential consents



Houses

**344**



Apartments

**144**



Townhouses, flats & units

**429**



Retirement village units

**23**

### Average house value



**\$924,528**

### Rental affordability

*Average rent to average household income*



**21.4%**

### Housing affordability

*Average house value to average household income*



**7.8**

### Average rent per week



**\$554**





**Economic wellbeing covers all aspects of present and future financial security. It includes the ability of individuals, families and communities to consistently meet their basic needs, such as food, housing, utilities and healthcare. In this section we review the year's milestone achievements in infrastructure, transport and city-scape initiatives.**

### **Kua mānawatia mai te haupū puna wai** Pool funding makes a splash

In July 2020, we secured \$27 million from the COVID Response and Recovery Fund towards the rebuild of Naenae Pool. Described by locals as the beating heart of the community, the rebuild is being undertaken in partnership with locals to ensure it meets the aspirations they have for its future.

Rebuilding the pool is a vital part of the region's economic recovery plan following COVID-19. It will unlock extensive local economic benefits, creating more than 200 local jobs. This reflects our new approach to procurement, seeking to maximise the value and impact of every dollar spent. The work will connect with other local projects, including a spatial plan for Naenae town centre. Building works are expected to get underway in the next financial year and completion is scheduled for December 2024.

### **Kua tīmatatia Te Ara o Ngā Whanga Rāwhiti** First step for Eastern Bays Path

In March 2021, resource consent was granted for the Eastern Bays Shared Path. The 4.4 km cycling and pedestrian path will hug the edge of the Eastern Bays, along Marine Drive from Point Howard to Windy Point on Muritai Road.

### **E whakarākei ana i te pokapū o Wainuiomata**

#### Facelift for Wainuiomata town centre

Throughout the year, work on the Wainuiomata Town Centre Framework and Streetscape Plan progressed at pace. The plan involves upgrading Queen Street to create a space that is vibrant, safe and attractive, and redevelopment of the Wainuiomata Mall site. The proposal progresses the plan developed by Love Wainuiomata in collaboration with the community. Feedback on the initial concept design was collated in April and May and revisions were presented to council in July. Construction is expected to get underway in early 2022.

### **Ka matapae i ngā tūraru** Managing for all eventualities

Throughout the year, we worked to strengthen our emergency management preparedness so we are responsive to communities and unexpected challenges. We established a full-time emergency management position. Our digital transformation programme has continued, with the focus on improving our ability to meet the expectations of the communities we serve, and deliver a high level of digital services across all our functions.

### **Kua mau tonu te Kaunihera i pae taurewa AA** Council maintains AA credit rating

In August 2020, international credit rating agency Standard and Poor's issued its financial assessment of council. We maintained our 'AA' long-term credit rating. This rating is a strong endorsement of our approach to managing our finances, working towards a balanced budget and investing in key infrastructure.



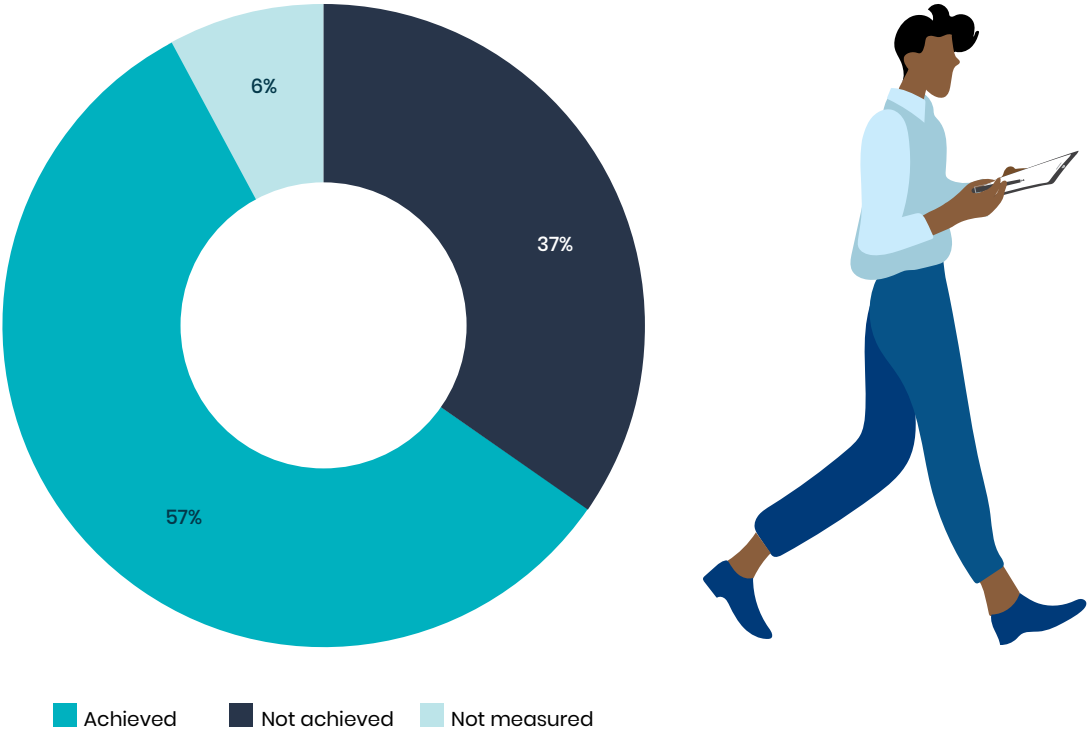


# Whakarāpopoto tātaritanga

## Our performance at a glance

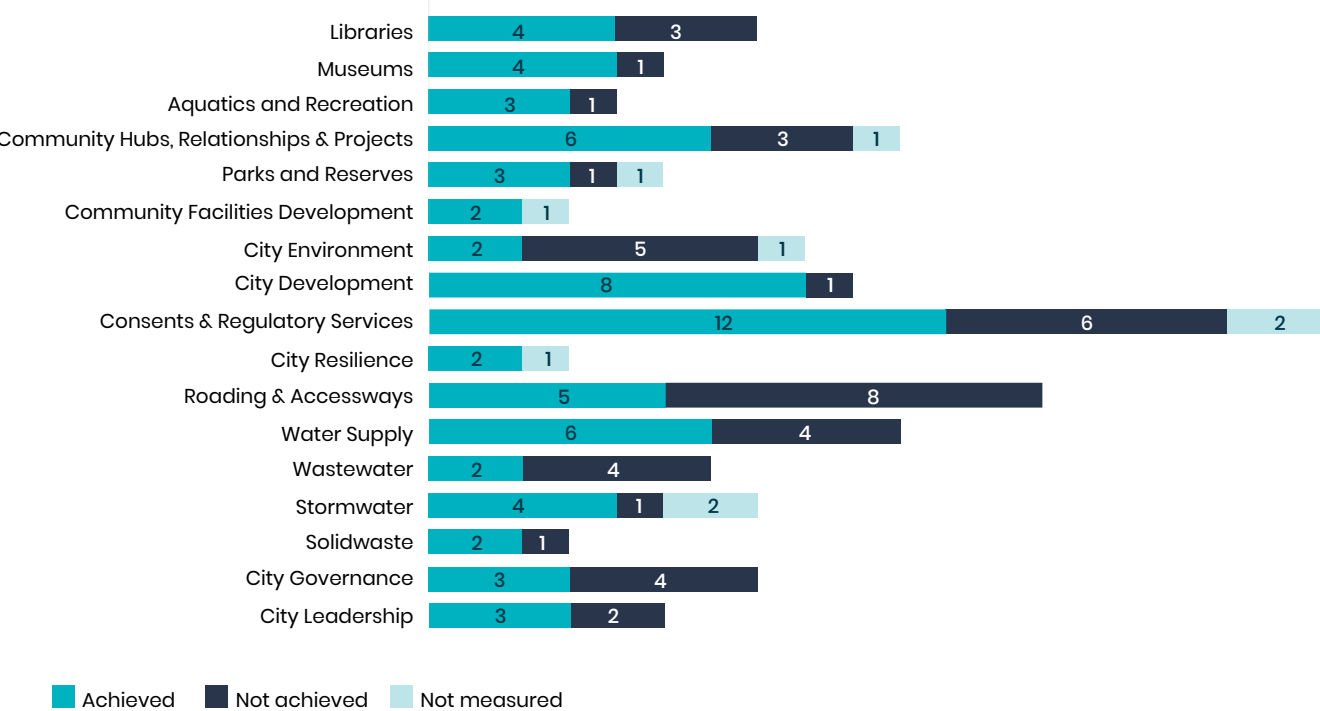
### Whakarāpopoto aronga tātaritanga whānui

Overall performance targets summary



### Aronga tātaritanga whānui o ia wāhi mahi

Overall key performance targets by activity area





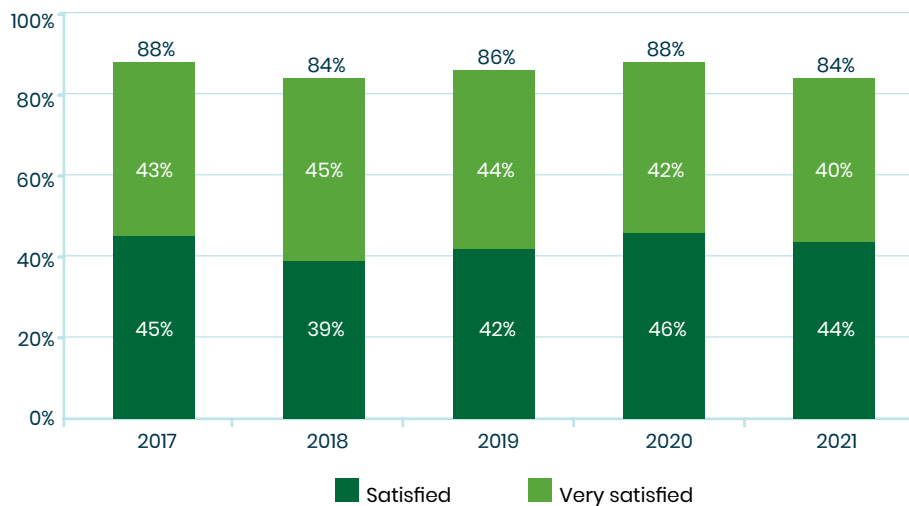
## Matareka apataki

### Customer satisfaction

Council is committed to delivering a high level of service to the community. We monitor residents' satisfaction through an independent annual survey. Overall, our satisfaction levels

are high, with more than four out of every five residents (84%) indicating they are satisfied. Overall satisfaction and the proportion of residents who are very satisfied have both decreased slightly.

Customer satisfaction



Key Research, a Tauranga-based independent market research agency, has conducted resident satisfaction surveys for council since 2016. The telephone-based survey is conducted quarterly with 150 residents interviewed every quarter to provide an annual total of 600 interviews. Randomised sampling methods are used to access residents over the age of 18 with quotas applied for ward, age, gender and ethnicity to ensure a representative sample. Post data collection the sample is weighted to ensure it resembles known population distributions.

A sample of 600 provides a maximum margin of error of  $\pm 4.8\%$  (at the 95% confidence interval). The margin of error increases as the sample size decreases, as with subgroups, meaning the associated results are less precise. Satisfaction/performance is rated on a 10-point scale where 1 equals very dissatisfied/poor and 10 equals very satisfied/excellent. To make the results easier to interpret, 'satisfied' scores have been calculated. This is the percentage of residents who provided a rating of 6 or more out of 10. Those who were unable to comment on the specific service being measured were excluded from the calculation.





# Whakarāpopoto pūtea

## Our finances at a glance

Being accountable to the ratepayers and residents 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 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.

### Tō mātou rautaki ahumoni

#### 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 expenditure in core infrastructure assets.

The Financial Strategy can be read in full in the 10-year plan 2021–31. 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.

The cost to run the city is approximately **\$14.14 per day for each rateable unit or \$5.10 per person.**



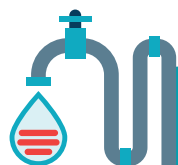
These costs per year are approximately:



**\$15.3M**  
PARKS AND RESERVES



**\$32.7M**  
TRANSPORT



**\$53.9M**  
THREE WATERS



**\$13.2M**  
REGULATORY AND  
CONSENTS



**\$15.5M**  
SOLID WASTE INC.  
RUBBISH AND RECYCLING



**\$36.3M**  
LIBRARIES, MUSEUMS, POOLS AND  
COMMUNITY FACILITIES



**\$19M**  
CITY DEVELOPMENT,  
ENVIRONMENT, RESILIENCE  
AND ORGANISATIONS



## Whakangao i ngā pou pou hāpori

### Investment in infrastructure

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

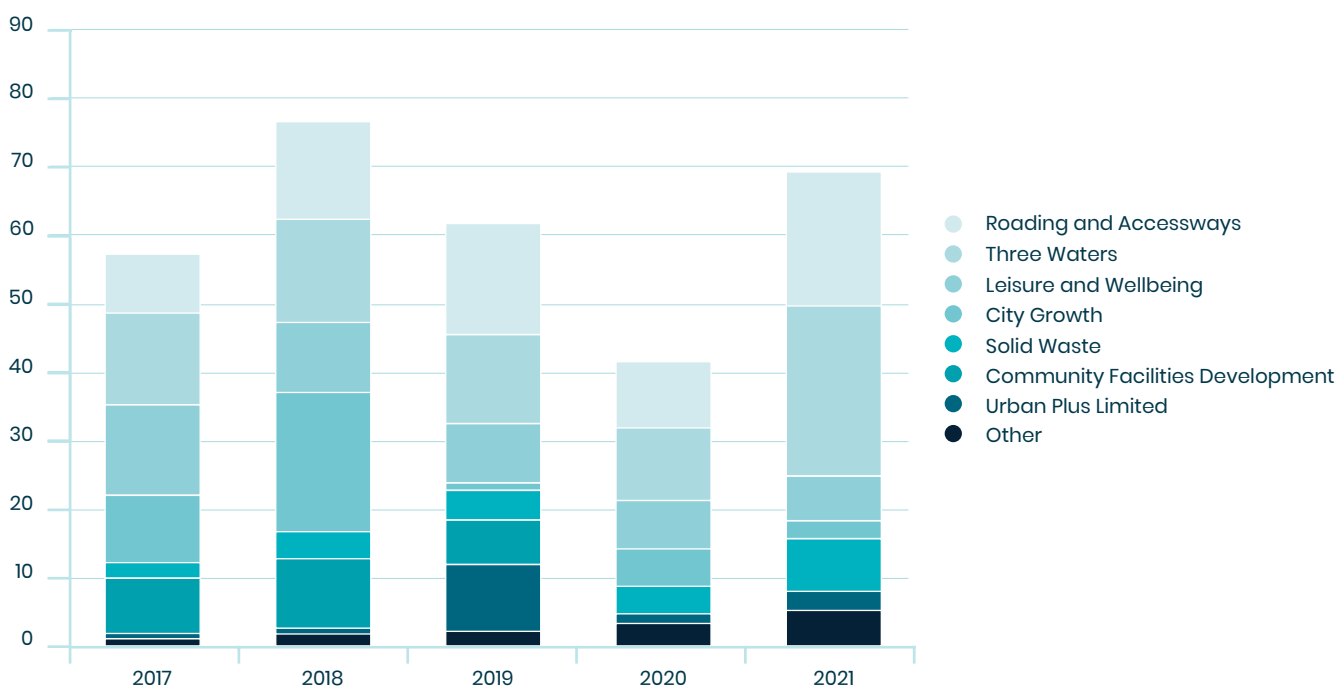
In 2020–21, capital investment increased significantly compared to recent years to \$65M, up from \$39M in the prior year. This signals the start of a steady increase in the size of our capital investment programme to implement the objectives of the 10-year plan 2021–31. The investment ensures that our infrastructure is well maintained, growth in the city is supported and that we are delivering on community outcomes and expectations.

While council capital investment has increased significantly, the total capital investment programme achieved is \$15.6M lower than planned. We are working towards improving our resourcing and processes to improve our capital delivery performance in the future.

In 2020–21, council invested \$24.9M into our three water assets over the year compared to a budget of \$30.7M. This includes investment in renewals of \$14M and the completion of the seismic upgrade of the Seaview wastewater treatment plant of around \$6M. The underspend primarily relates to the Barber Grove to Seaview Treatment Plant collector main works, which has been delayed to now begin in 2021–22. 60% of our three waters infrastructure will require replacement over the next 30 years. It is important for us to stay on top of renewals to reduce the interruptions, and ensure drinking water is clean and our waterways are healthy.

We invested \$19.8M into transport projects during the year compared to a budget of \$19.7M. This included \$6.8M spent on the beltway cycleway which opened in July 2021 and \$6.5M spent on renewals.

Group capital investment five-year trend (\$M)





## Whakahaere pūtea tārewa matawhāiti

### Prudent debt management

The council's debt is primarily driven by investment in new assets with long lives. The benefits from this expenditure 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 191% as we lift our investment in core infrastructure over the coming years.

To help pay for investment in 2020–21, the group's net debt increased by \$15M. This increase was lower than planned as a result of the capital programme not being fully achieved during the year.

Group net debt to revenue ratio: 96%

Increase in group net debt in 2020/21: \$15M

Group net debt: \$208M

Net Group borrowings equates to approx. \$5,149 per rateable unit or \$1,856 per person/resident

#### Council net debt (\$M)



## Pae taurewa

### 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 allows us to keep interest costs low.

AA

**S&P Global**  
Ratings

## E whakatautika ana i te tahua

### Balancing the budget

Council's underlying operating deficit for the year was \$11.3M. This is a significant improvement compared to an approved budget deficit of \$22.7M. This underlying deficit excludes non-cash gains on financial instruments of \$13.7M and revenue received for capital projects of \$14.2M. In our 10-year plan 2021–31 we have taken steps to ensure that we will achieve a balanced budget in the future. To ensure that this is done in a way that is affordable for ratepayers, council will move towards this over a number of years. Council is currently not expected to achieve a balanced budget until 2028–29.



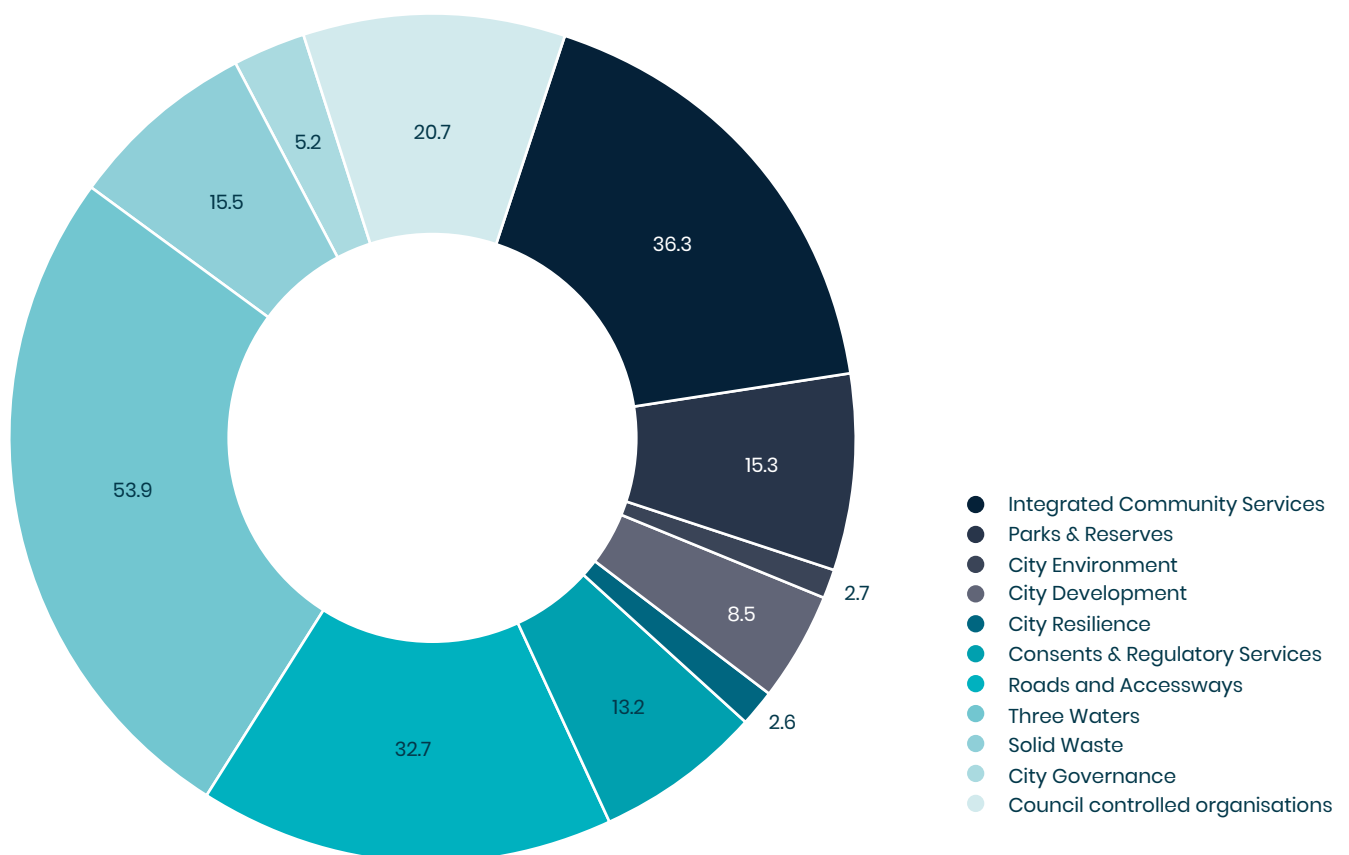
Our operating expenditure is what it takes to deliver our day-to-day services. It includes things like paying our staff, maintaining our community facilities, and providing support to the community.

Council offers a wide range of services. Across the group, costs for the financial year were \$208M. The graph below shows how the group's spending is spread across these services.

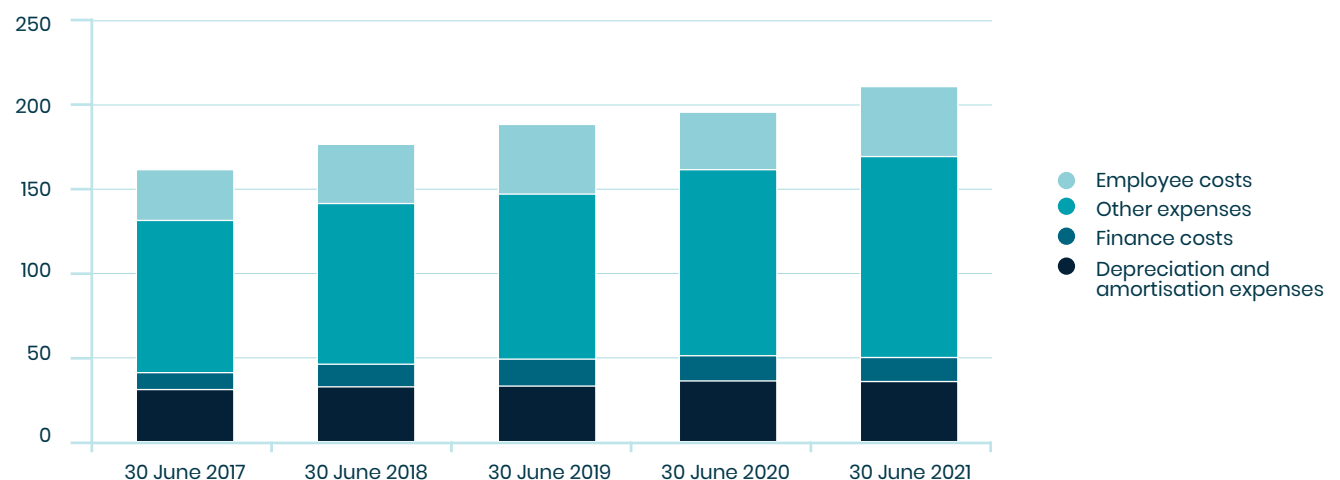
We fund our services and operations through a mix of rates and non-rates revenue. Total group revenue for 2020-21 was \$216M.

We have a high reliance on rates as an income stream with over half of our revenue at a group level.

Group expenditure by activity in 2020-2021 (\$M)

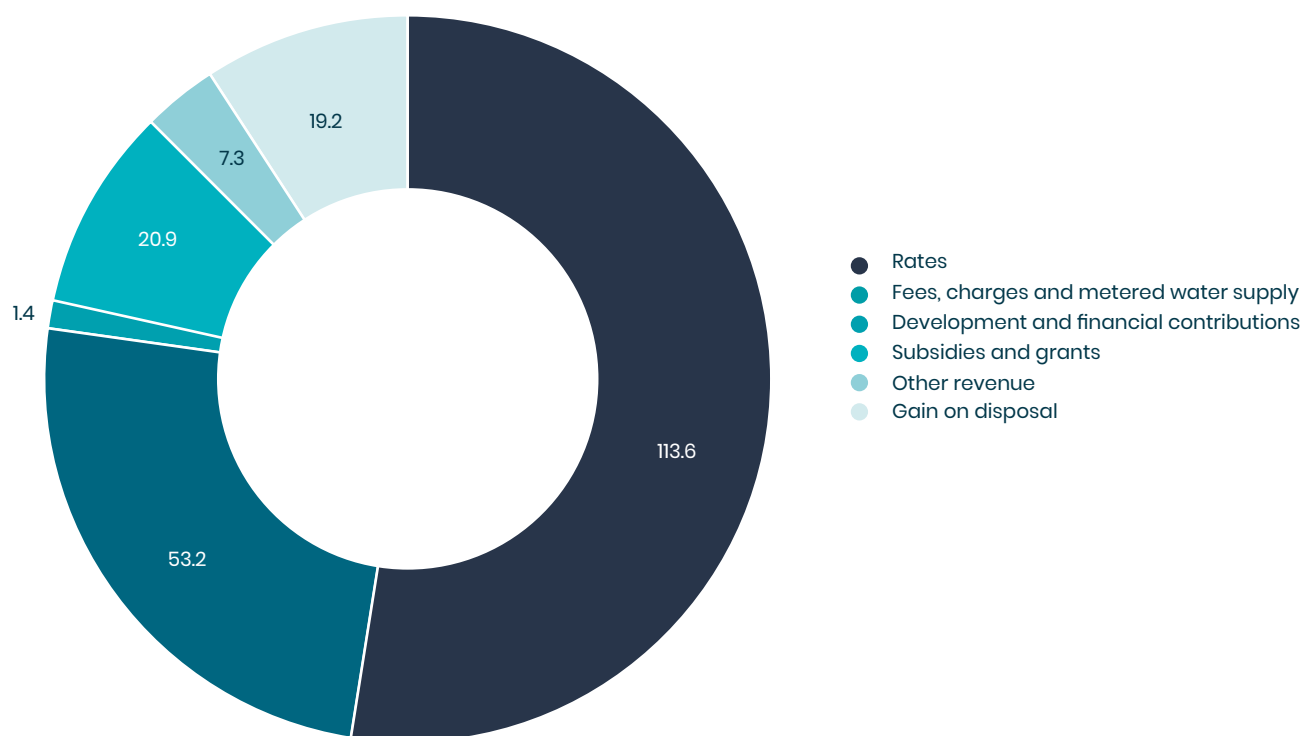


Group 5-year trend of expenditure (\$M)

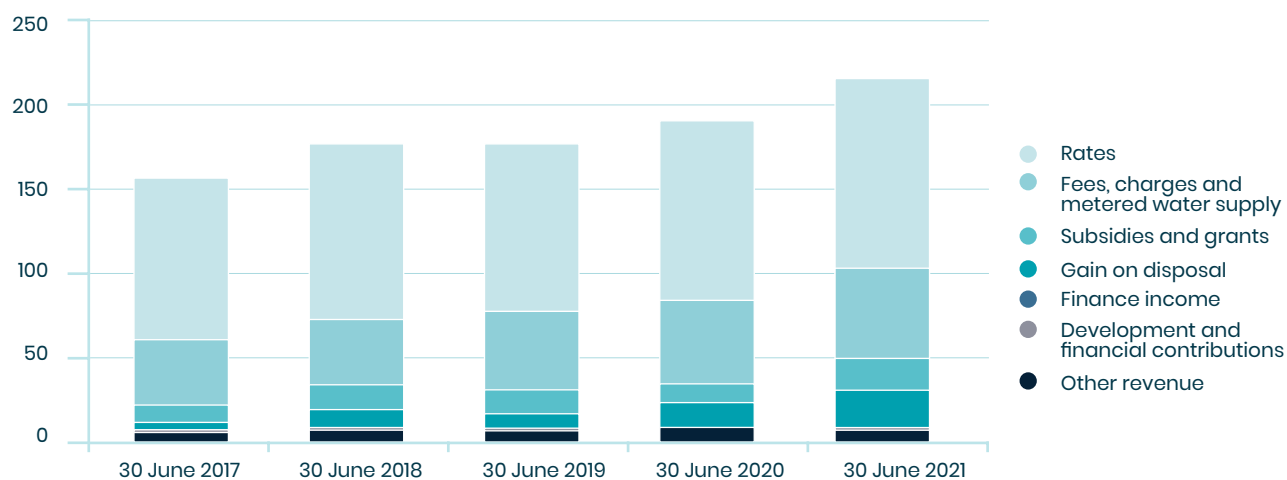




### Group sources of revenue in 2020-21 (\$M)



### Group 5-year revenue trend (\$M)





## Taupitopito kōrero matua o tō mātou otinga mahi

### Key detail points on our operating results

We received \$3M in three waters government stimulus funding from Department of Internal Affairs that was not anticipated in our Annual Plan. This primarily enabled increased maintenance work on our three waters network.

Increased waste volumes at Silverstream landfill resulted in \$4.2M of additional revenue, which was largely offset by additional costs of processing and other solid waste costs.

The growth in building activity in the city has

resulted in a growth in regulatory income to \$8.4M for the year, compared to a budget of \$7.7M. This is offset by the costs of processing these additional consents. We have increased our resourcing levels in response to help manage this increasing workload.

Depreciation and amortisation is \$2.9M under budget. This reflects the lower than planned achievement of our capital programme.

Further details are available the summary financial information below.

### Summary statement of comprehensive revenue and expenses for the year ended 30 June 2021

	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Total revenue	205,560	178,504	169,739	229,167	187,351
Finance costs	(7,432)	(8,198)	(7,406)	(7,432)	(7,406)
Loss on revaluation of financial instruments	-	-	(10,147)	-	(10,147)
Other operating expenditures	(181,550)	(179,982)	(173,680)	(200,690)	(186,957)
Share of associate's surplus / (deficit)	-	-	-	83	(40)
Surplus / (deficit) before tax	<b>16,578</b>	<b>(9,676)</b>	<b>(21,494)</b>	<b>21,127</b>	<b>(17,199)</b>
Income Tax expense	28	-	-	1,301	997
Surplus / (deficit) after tax	<b>16,550</b>	<b>(9,676)</b>	<b>(21,494)</b>	<b>19,826</b>	<b>(18,196)</b>
Gain/(losses) on property revaluations	-	-	68,961	2,206	76,687
Impairment gain/(losses) on revalued property	-	-	-	-	-
Deferred tax on revaluation	-	-	-	(353)	(1,039)
Total other comprehensive revenue and expenses	-	-	68,961	1,853	75,648
<b>Total comprehensive revenue and expenses attributable to Hutt City Council</b>	<b>16,550</b>	<b>(9,676)</b>	<b>47,467</b>	<b>21,679</b>	<b>57,452</b>

### Summary statement of changes in equity for the year ended 30 June 2021

	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Equity at the beginning of the year	1,332,642	1,330,316	1,285,175	1,404,553	1,347,101
Total comprehensive income	16,550	(9,676)	47,467	21,679	57,452
Net assets on Amalgamation of Hutt City Community Facilities Trust	37,144	-	-	-	-
<b>Equity at the end of the year</b>	<b>1,386,336</b>	<b>1,320,640</b>	<b>1,332,642</b>	<b>1,426,232</b>	<b>1,404,553</b>



### Summary statement of financial position as at 30 June 2021

	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Current assets	31,824	33,099	62,500	48,150	75,051
Non-current assets	1,640,778	1,584,577	1,580,912	1,668,933	1,643,151
<b>Total Assets</b>	<b>1,672,602</b>	<b>1,617,676</b>	<b>1,643,412</b>	<b>1,717,083</b>	<b>1,718,202</b>
Current liabilities	75,618	56,291	77,120	76,938	77,799
Non-current liabilities	210,648	240,745	233,650	213,912	235,850
<b>Total liabilities</b>	<b>286,266</b>	<b>297,036</b>	<b>310,770</b>	<b>290,850</b>	<b>313,649</b>
<b>Net assets</b>	<b>1,386,336</b>	<b>1,320,640</b>	<b>1,332,642</b>	<b>1,426,232</b>	<b>1,404,553</b>
<b>Total equity</b>	<b>1,386,336</b>	<b>1,320,640</b>	<b>1,332,642</b>	<b>1,426,232</b>	<b>1,404,553</b>

### Summary statement of cash flow for the year ended 30 June 2021

	Council			Group	
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
Net cash flow from operating activities	37,288	21,906	27,254	23,000	15,975
Net cash flow from investing activities	(32,235)	(55,792)	(48,698)	(17,943)	(36,487)
Net cash flow from financing activities	(25,300)	21,886	37,000	25,300	37,000
<b>Net cash flow for the year</b>	<b>(20,247)</b>	<b>(12,000)</b>	<b>15,556</b>	<b>(20,243)</b>	<b>16,488</b>

### Group results at a glance

	2021	2020	2019	2018	2017
	\$M	\$M	\$M	\$M	\$M
Net Surplus / (Deficit)	19.8	(18.2)	(14.8)	-	7.0
Total assets	1,717.1	1,718.2	1,607.7	1,611.6	1,488.4
Total liabilities	290.9	313.6	260.6	244.7	196.0
<b>Total equity</b>	<b>1,426.2</b>	<b>1,404.6</b>	<b>1,347.1</b>	<b>1,366.9</b>	<b>1,292.4</b>

#### Notes:

- 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.
- The summary financial report has been presented in New Zealand dollars.
- 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 21 December 2021 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 34). A copy of the financial report may be obtained from Council's website [huttcity.govt.nz](http://huttcity.govt.nz).
- This summary financial report has been examined by the auditor for consistency with the full financial report.
- This summary financial report has been prepared in accordance with PBE FRS-43.
- This summary Annual Report was authorised by the Chief Executive Officer of the Hutt City Council on 21 December 2021.



# Ngā pāpātanga KOWHEORI-19 o te tātāritanga COVID-19 impact on performance

Learning to adapt to changing alert levels became our new way of working as we followed government guidance on physical distancing and implemented new health and safety measures.

Very few of our facilities could not operate or open at Alert Level 2, although there was some impact on visitor numbers with reduced revenue from user charges. As the region did not enter Alert Level 3 or 4 lockdowns during the current reporting period, the impact on council and the group's financial performance was less than the previous year. However, our supply chains and availability of specialist expertise and staff recruitment were adversely impacted. This particularly impacted Wellington Water's capital programme as a skills shortage impacted their capability and capacity to deliver against plans.

International shipping delays impacted the delivery of bins for the rollout of the new rubbish and recycling, which commenced 1 July 2021. Service and alternative arrangements had to be put in place to tide people over. This included delivery of six free rubbish bags to around 3,000 homes and additional staff time as we redirected our effort to manage this risk.

Other impacts on our roading programme are noted later in this report where we experienced delays for imported materials and a lack of availability of contractors.

In addition, a number of planned events were either delayed or cancelled. This was disappointing as staff had worked hard to bring these events to our city.





# Ngā Pūnaha tātaritanga o Ngā Wai Hangarua

## Wellington Water performance measurement systems

The following notes relate to performance measures outlined on pages 46–58 and 122–124 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.

In the 2019/2020 financial year WWL notified council that issues were identified in relation to some of the systems and processes that WWL use to record information that supports certain performance measures. These measures are set by the Secretary for Local Government and are required to be reported against by all councils.

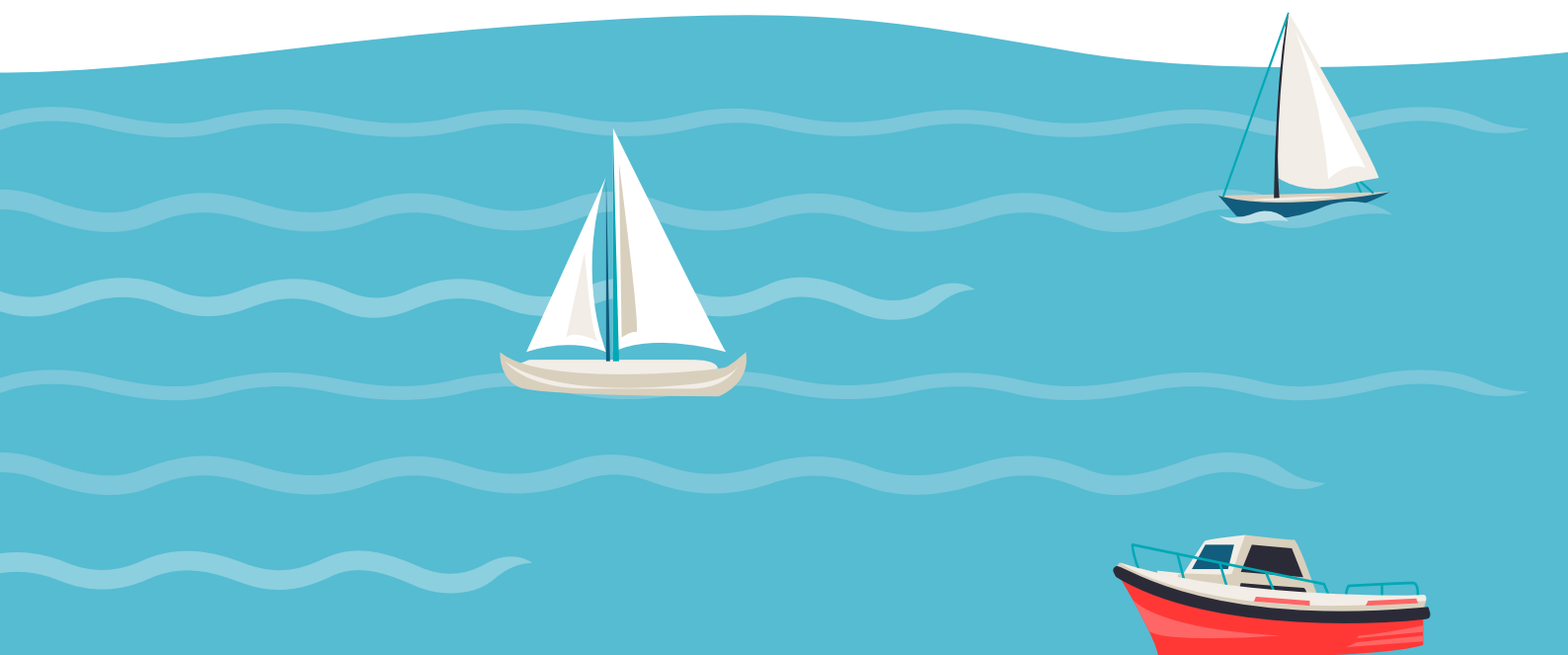
In the last year WWL has worked on improving the maturity of its performance management and reporting systems. It has identified

opportunities for improvement, particularly its ability to independently verify results, document processes, collect data and the way it manages and maintains data quality. This includes the implementation of additional internal controls to provide assurance over data recorded.

Four measures were affected in 2019/2020. Two performance measures continue to have issues in the 2020/2021 year. The following measures remain affected:

- Customer complaints
- Water Loss

For more information see page 122–124 of the Annual report.





# Te Whakahoutanga o Ngā Wai e Toru

## Three Waters Reform

In July 2020, the Government launched the Three Waters Reform Programme – a three-year programme to reform local government three waters service delivery arrangements. Currently 67 different councils own and operate the majority of the drinking water, wastewater and stormwater services across New Zealand. The proposed reform programme is being progressed through a partnership-basis approach with the local government sector, alongside iwi/Māori as the Crown's Treaty Partner.

The Three Waters Reform involves the creation of four statutory water services entities to be responsible for the service delivery and infrastructure from local authorities from 1 July 2024. The Government has proposed regional boundaries for each entity 'A', 'B', 'C' and 'D', which would manage water assets for the country. Hutt City Council would belong to water service entity 'C', along with 22 other Councils. Based upon the current proposals, the water service entity would be independent with a separate Board of Directors and Councils would have no shareholding and no financial interest.

On 27 October 2021, the Local Government Minister announced that central government will proceed with the three waters service delivery reforms using a legislated "all in" approach.

There is still a number of uncertainties associated with the new three waters delivery model including the mechanism for how assets and liabilities will be transferred to the newly established entities, and the control and governance of these entities. Notwithstanding the current uncertainty the announcement once legislated will mean Council is no longer responsible for the delivery and infrastructure of three water services from 1 July 2024. At the date of this annual report being approved for issue there is increased certainty that should the legalisation be enacted, Council will not be responsible for the delivery and infrastructure of three water services from 1 July 2024.

There has been no adjustment in these summary financial statements on pages 31 and 32 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.





# 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 2021

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 2021.

The summary of the annual report comprises the following summary statements on pages 24 to 35:

- the summary statement of financial position as at 30 June 2021;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flow for the year ended 30 June 2021;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision.

### Opinion

In our opinion:

- the summary of the annual report represents, excluding the statement of service provision, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS43: Summary Financial Statements.

However, the summary statement of service provision information includes a limitation in scope to the equivalent extent as the full audited statement of service provision in the full audit report. This limitation is explained below in the full annual report and our audit report thereon section below.

### 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 statement of service provision 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 2021 in our auditor's report dated 21 December 2021. The basis for our qualified opinion on the statement of service provision in the full audit report is explained below.



## **Basis for our qualified opinion**

Six councils, including the City Council, are joint shareholders in Wellington Water Limited (Wellington Water). Wellington Water manages the six councils' water assets and services on their behalf. A Committee represented by a member of each shareholding council monitors the performance of Wellington Water. 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.

We identified significant issues with some of these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures. Our opinion on these performance measures was also qualified for the 2020 performance year.

### ***Maintenance of the reticulation network – Water supply***

Wellington Water was unable to report a reliable water loss percentage for each shareholding council. This is because the water loss percentage is estimated using information obtained from water meters across the reticulation network. The limited number of water meters across the City Council's reticulation network significantly impacts the reliability of the results.

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

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

### ***Reliability of other performance measures in the prior year***

The City Council's statement of service provision includes performance measures on water supply, wastewater, and stormwater fault response times, and the number of dry weather wastewater overflows. In respect of the 30 June 2020 comparative information only, as explained on pages 120 to 121 of the full Annual Report, Wellington Water was unable to accurately report on these measures as the information produced from system was unreliable. There were no satisfactory audit procedures that we could perform to independently confirm whether the reported information was materially correct and our audit opinion on these performance measures for the year ended 30 June 2020 was modified accordingly.

This issue has been resolved for the 30 June 2021 year. As the limitation on our work cannot be resolved for the 30 June 2020 year, the City Council's performance information reported for these performance measures for the 30 June 2021 year may not be directly comparable to the 30 June 2020 performance information.

Information about this matter is also disclosed on page 34 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 203 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 impact of these reforms, once legislated, will mean that the City Council will no longer deliver three waters services. This matter is addressed on page 35 of the summary financial statements.



## 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 FRS43: 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 AuditorGeneral'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, we have audited the City Council's 2021-2031 long-term plan, and we have performed a limited assurance engagement related to the City Council's debenture trust deed. Other than these engagements, we have no relationship with, or interests in, the City Council and its subsidiary and controlled entities.



Andrew Clark  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand  
21 December 2021

AUDIT NEW ZEALAND

Mana Arotake Aotearoa







