



**Pūrongo ā-Tau**  
**2020-2021**  
Annual Report  
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 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 Tīrotiro, ki Pukeariki, e whakamarumarutia nei Te Tatau o Te Pō a Ngāti Te Whiti, a Ngāti Tāwhirikura, ki Pukeatua, te tuahu tapu o Te Kāhui Mounga i te wā i a Māui ki te whakapuare i te wahanui o Te Ika Whakarau a Kutikuti Pekapeka. I ahu mai i Te Wai Mānga, i a Rua Tupua, i a Rua Tawhito, Ko Ngake, ko Whātaitai. Ka timu ngā tai o Te Wai Mānga, ka pari mai ko Te Whanganui a Tara e pōkarekare mai ana.

Ka tū a Pukeatua ki runga i ngā wai e kato ana, i a Awamutu, i a Waiwhetū, kei reira a Arohanui ki te Tangata a Ngāti Puketapu, a Te Matehou, a Ngāti Hāmua e tū ana, tae noa atu rā ki ngā wai tuku kiri o te pūaha o te awa o Te Awa Kairangi. Koia hoki te puna i heke mai ai he tangata. E kore e mimiti tēnei puna, ka koropupū, ka koropupū. Ko Te Awa Kairangi e rere iho mai ana i hōna pūtakenga i Pukemoumou i te paemounga o Tararua ki runga i hēnei whenua, ki runga i tēnei kāinga, hei āhuru mōwai ngā iwi.





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

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

# Ngā Hua o Roto

## 1

Wāhanga 1

### Tirohanga whānui

08	<b>He kupu nā Koromatua Campbell Barry</b>	22	Oranga taiao
10	<b>He Kupu nā Tumu Whakarae Jo Miller</b>	24	Oranga ōhanga
12	<b>Ko tā mātou whakakitenga mō Te Awa Kairangi ki Tai</b>	26	<b>Whakarāpopoto tātaritanga</b>
14	<b>Ngā Kīwei o Te Kete</b>	28	<b>Whakarāpopoto pūtea</b>
16	<b>Tō tātou tāone</b>	35	<b>Ngā pāpātanga KOWHEORI-19 o te tātaritanga</b>
18	Oranga hapori		
20	Oranga ahurea		

## 2

Wāhanga 2

### Tauākī Mahi Ratonga

38	<b>Pou Tarāwaho</b>	90	Whanake pokapū hapori
39	Ngā huarahi	93	<b>Toitūtanga</b>
46	Ngā puna wai	94	Manawaroa ā-tāone
50	Waiparu	98	<b>Kāwanatanga, ruruku me te tōpūtanga</b>
55	Waiāwhā	99	Te mana whakahaere tāone
59	Para	103	Te hautū tāone
62	<b>Whakatupu tāone</b>	107	<b>Ngā ringaringa me ngā waewae o te kaunihera</b>
63	Wāhi tāone	107	Seaview Marina Limited
66	Whakatupu tāone	109	Urban Plus Limited
71	Ratonga whakariterite	116	Hutt City Community Facilities Trust
76	<b>Ngā mahi a te rēhia</b>	120	Ngā Wai Hangarua
77	Ratonga hapori pāhekoheko		
85	Papa rēhia me ngā whenua tāpui		

## 3

Wāhanga 3

### Hō mātou pūtea

128	<b>Pūrongo Kaitātari Kaute</b>	204	<b>Hau pū tāpui</b>
132	<b>Tauākī pūtea</b>	206	<b>Paerewa matawhāiti</b>
138	<b>Āpitihianga tauākī pūtea</b>	212	<b>Tauākī pāpātanga tahua</b>

## 4

Wāhanga 4

### Āpitihianga

224	<b>Kuputaka</b>
226	<b>Te mana whakahaere kaunihera</b>
234	<b>Whakapā mai</b>

## 4

E whakatū ana i te tūāpapa mō tō tātou āpōpō



# Contents

## 1 Section 1

### Overview

08	<b>Message from Mayor Campbell Barry</b>	22	Environmental wellbeing
10	<b>Message from Chief Executive Jo Miller</b>	24	Economic wellbeing
12	<b>Our vision for Lower Hutt</b>	26	<b>Our performance at a glance</b>
14	<b>Partnership with Mana Whenua</b>	28	<b>Our finances at a glance</b>
16	<b>Our city</b>	35	<b>COVID-19 impact on performance</b>
18	Social wellbeing		
20	Cultural wellbeing		

## 2 Section 2

### Statement of service performance

38	<b>Infrastructure</b>	90	Community facilities development
39	Roading and accessways	93	<b>Sustainability</b>
46	Water supply	94	City Resilience
50	Wastewater	98	<b>Governance, engagement and organisation</b>
55	Stormwater	99	City governance
59	Solid waste	103	City leadership
62	<b>City growth</b>	107	<b>Council Controlled Organisations and Associates</b>
63	City environment	107	Seaview Marina Limited
66	City development	109	Urban Plus Limited
71	Consents and regulatory services	116	Hutt City Community Facilities Trust
76	<b>Leisure and wellbeing</b>	120	Wellington Water Limited
77	Integrated community services		
85	Parks and reserves		

## 3 Section 3

### Our finances

128	<b>Independent Auditor's report</b>	204	<b>Reserve funds</b>
132	<b>Financial statements</b>	206	<b>Prudence benchmarks</b>
138	<b>Notes to the financial statements</b>	212	<b>Funding impact statements</b>

## 4 Section 4

### Appendices

224	<b>Glossary</b>
226	<b>Council governance</b>
234	<b>Contacts</b>





# Tirohanga whānui Overview

# 1







# 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 \$11.3 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 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.



### Whakangao i ngā pou pou 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.

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.

Taita 6%

Central 28%

Western Hills 12%

Wainuiomata 18%

Stokes Valley 9%

Naenae 13%

Petone 9%



### 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%**

have a mortgage

**24%**

Fully own their property

## Education

**15%**

have a Bachelor's Degree

**11%**

with a Postgraduate Degree

## Employment

**74%**

are employed full-time

**19%**

are employed part-time

**7%**

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**

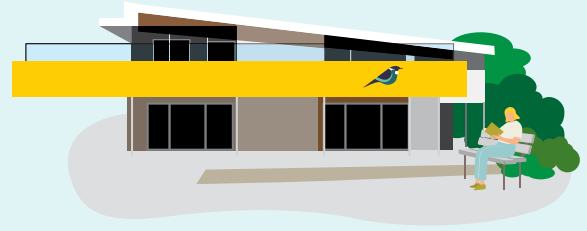
Hubs

**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**

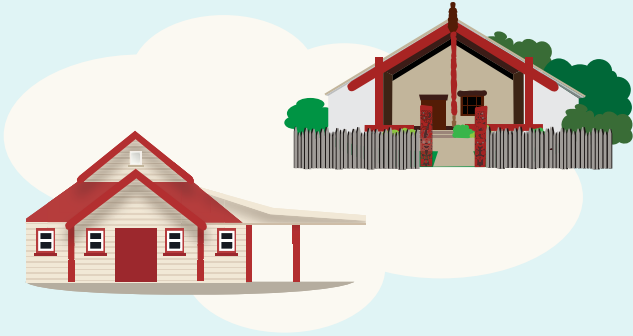
#### **COVID-19 recovery**

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

**21%** Faith-based group

**11%** Neighbourhood group

**6%** Cultural group



### Ethnicity

**68%** European

**18%** Maori

**2%** MELAA\*

**11%** Pacific Peoples

**15%** Asian

**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.

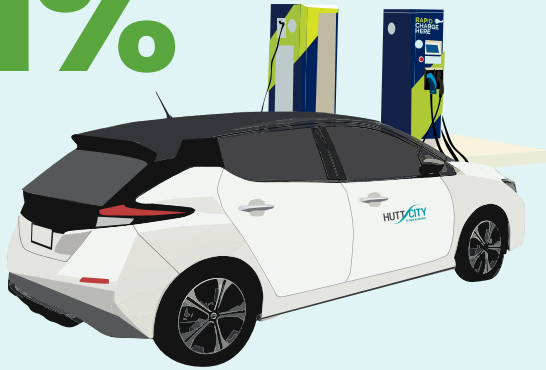


# Oranga taiao

## 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 rongō 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  
*10,623FY19-20*

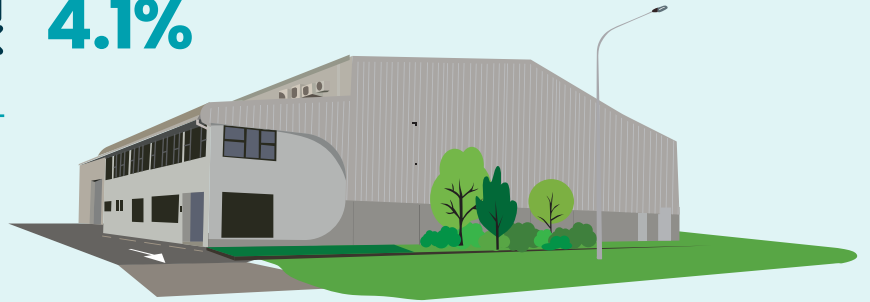
**1,089**

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




**5,018**

Jobseeker supplement recipients



840 new residential consents


 **344**  
Houses

 **144**  
Apartments

 **429**  
Townhouses, flats & units


 **23**  
Retirement village units

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.



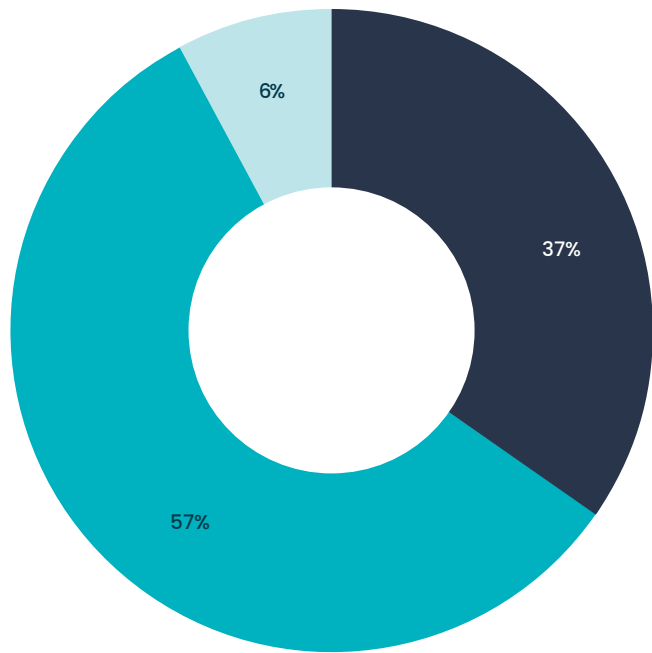


# Whakarāpopoto tātaritanga

## Our performance at a glance

### Whakarāpopoto aronga tātaritanga whānui

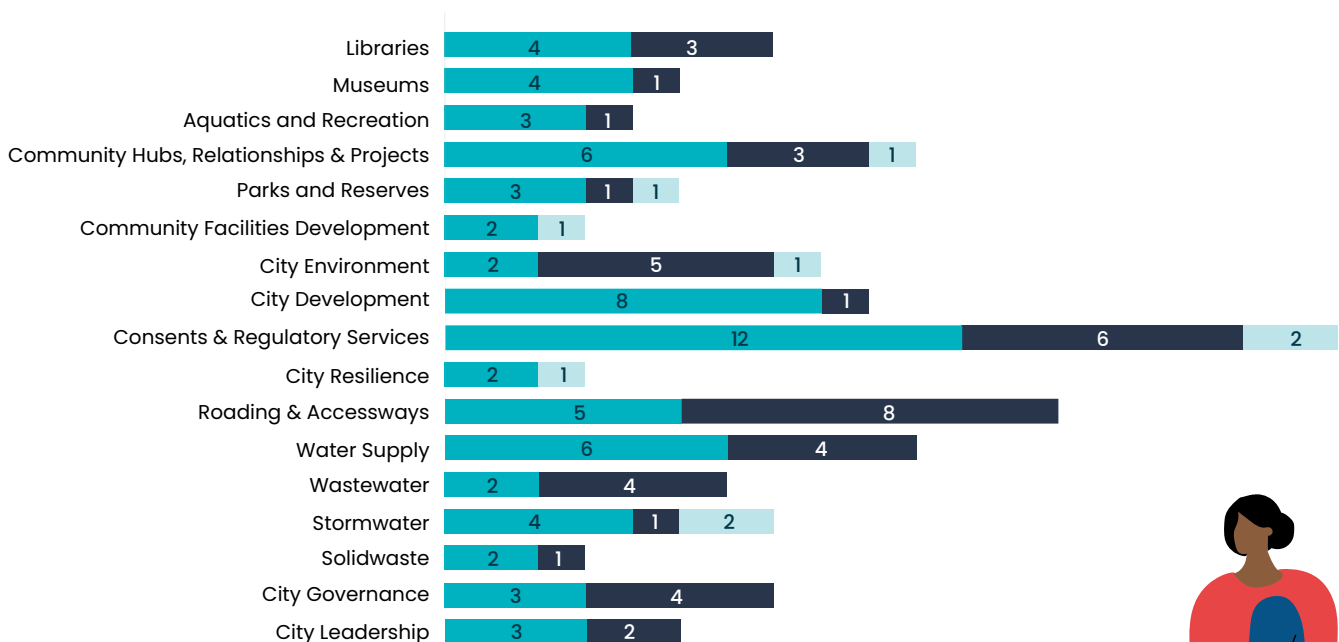
Overall performance targets summary



■ Achieved
 ■ Not achieved
 ■ Not measured

### Aronga tātaritanga whānui o ia wāhi mahi

Overall key performance targets by activity area



■ Achieved
 ■ Not achieved
 ■ Not measured



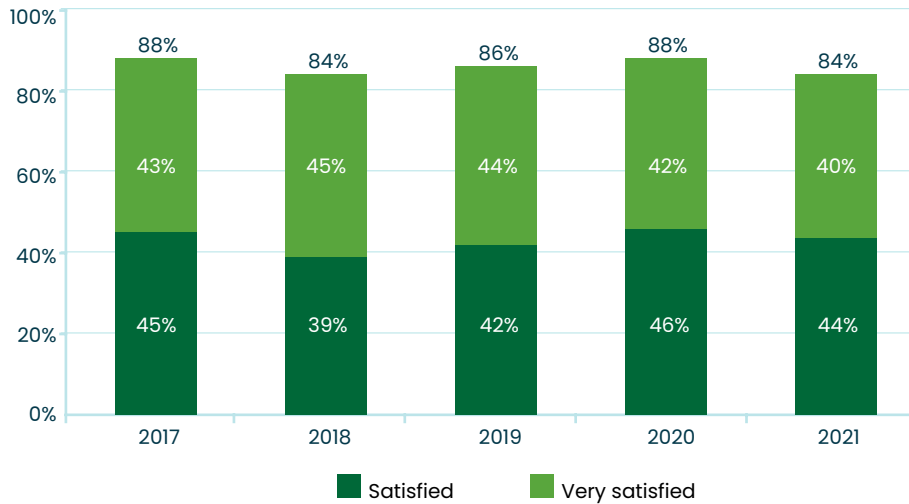
## Matareka apataki

### 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 +/- 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 day per person.**



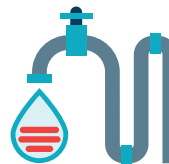
These costs per year are approximately:



**\$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.

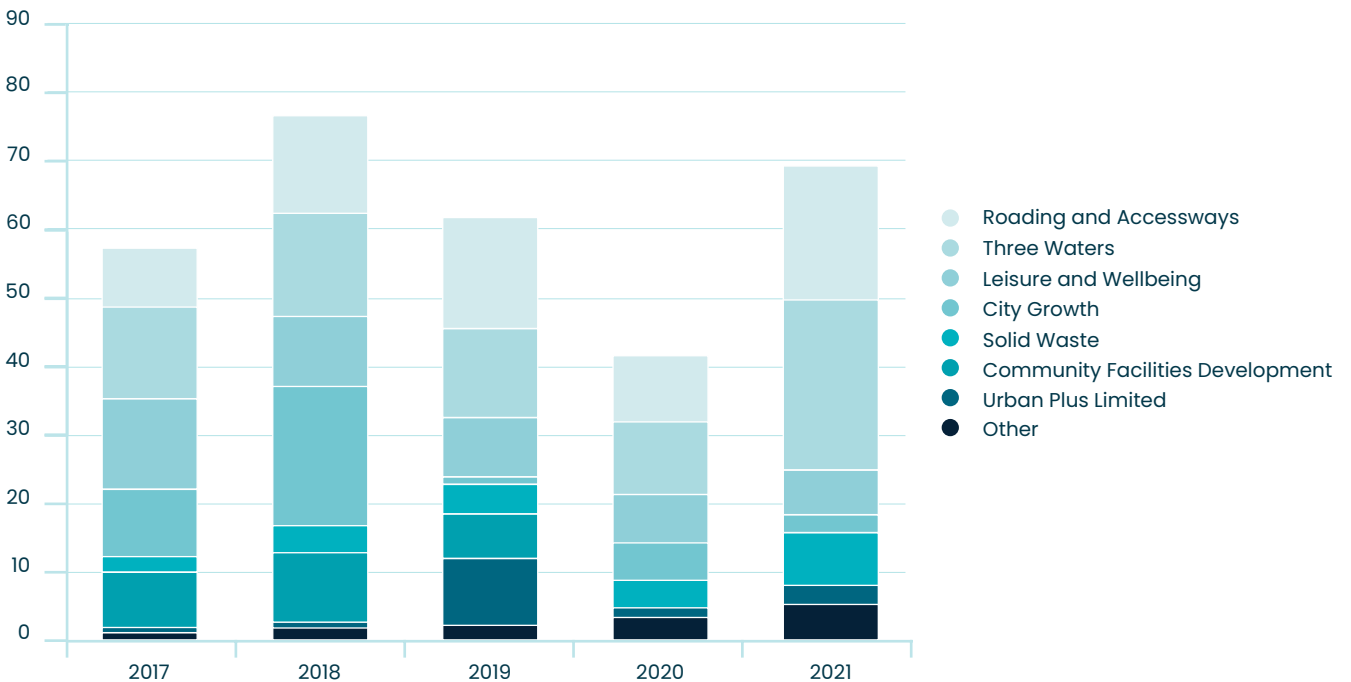
In 2020–21, capital investment increased significantly compared to recent years to \$65M, up from \$39M in the prior year. This signals the start of a steady increase in the size of our capital investment programme to implement the objectives of the 10-year plan 2021–31. The investment ensures that our 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.

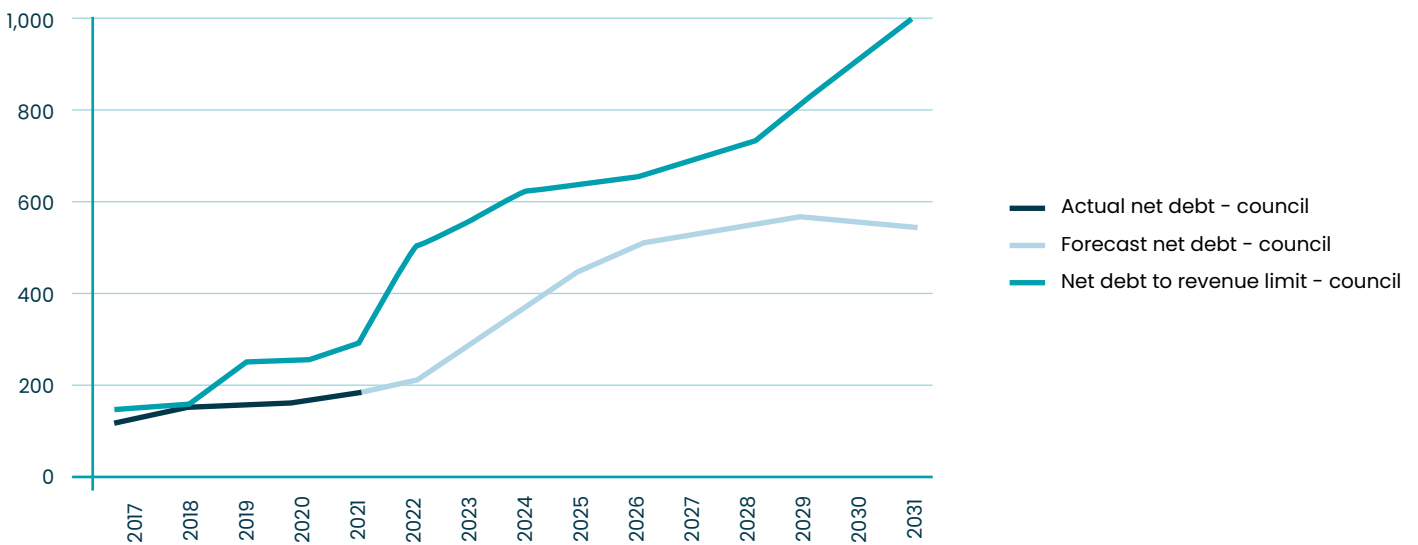
Group net debt to revenue ratio: 96%

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.



## 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.



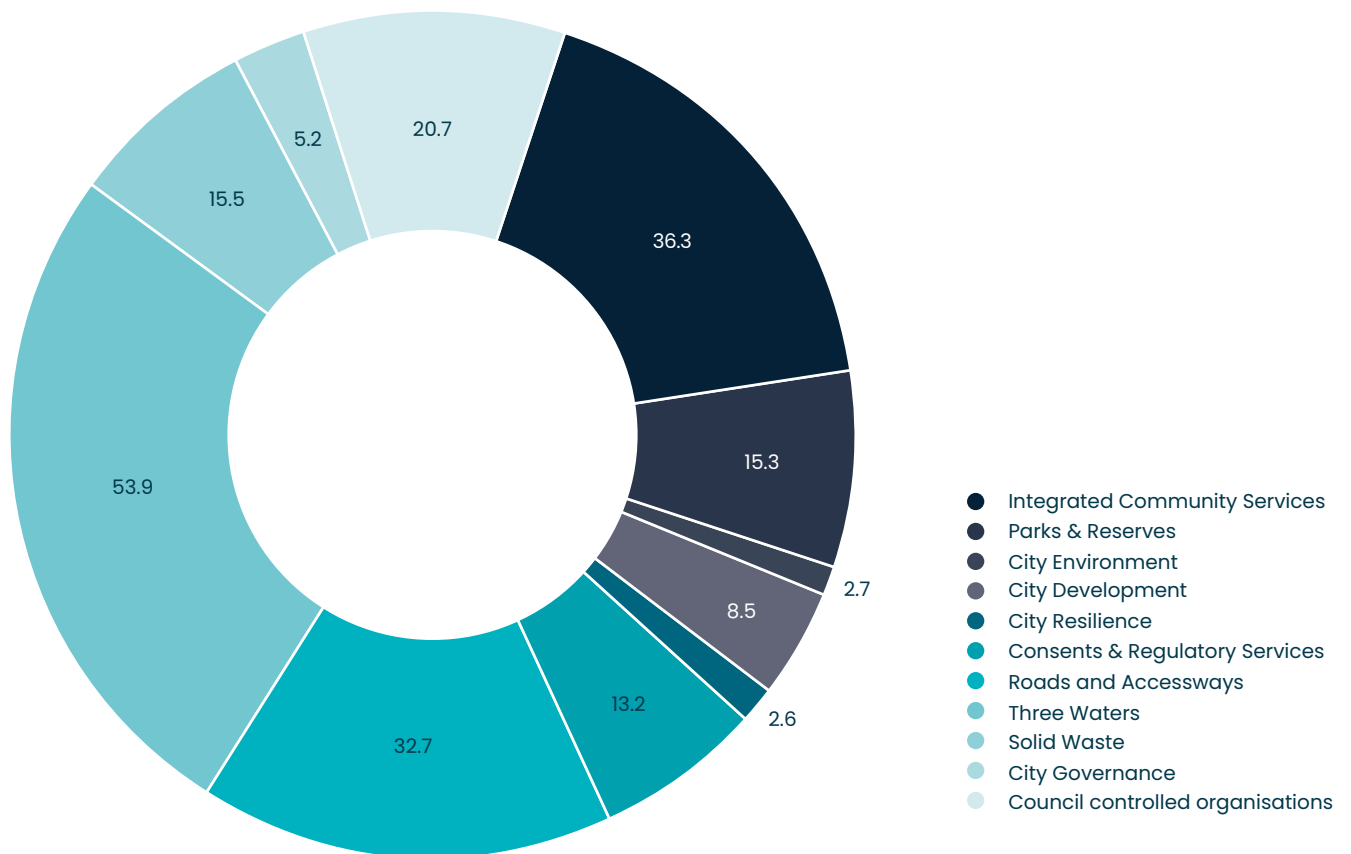
Our operating expenditure is what it takes to deliver our day-to-day services. It includes things like paying our staff, maintaining our community facilities, and providing support to the community.

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.

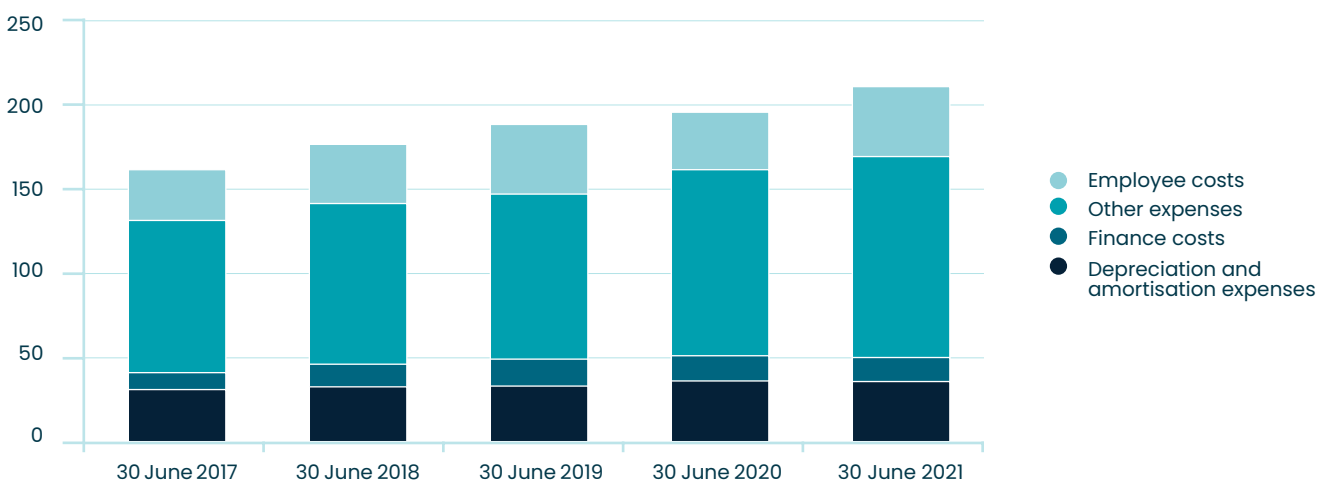
We fund our services and operations through a mix of rates and non-rates revenue. Total group revenue for 2020-21 was \$216M.

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

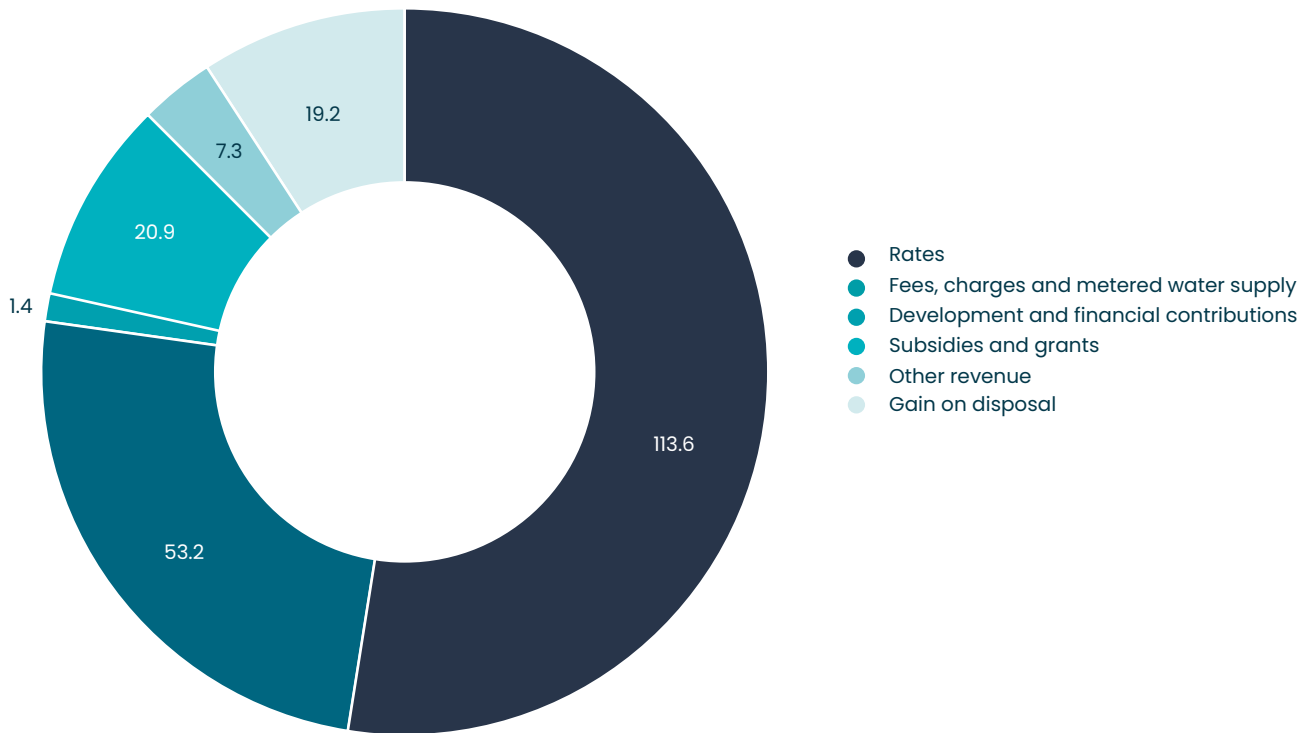
Group expenditure by activity in 2020-2021 (\$M)



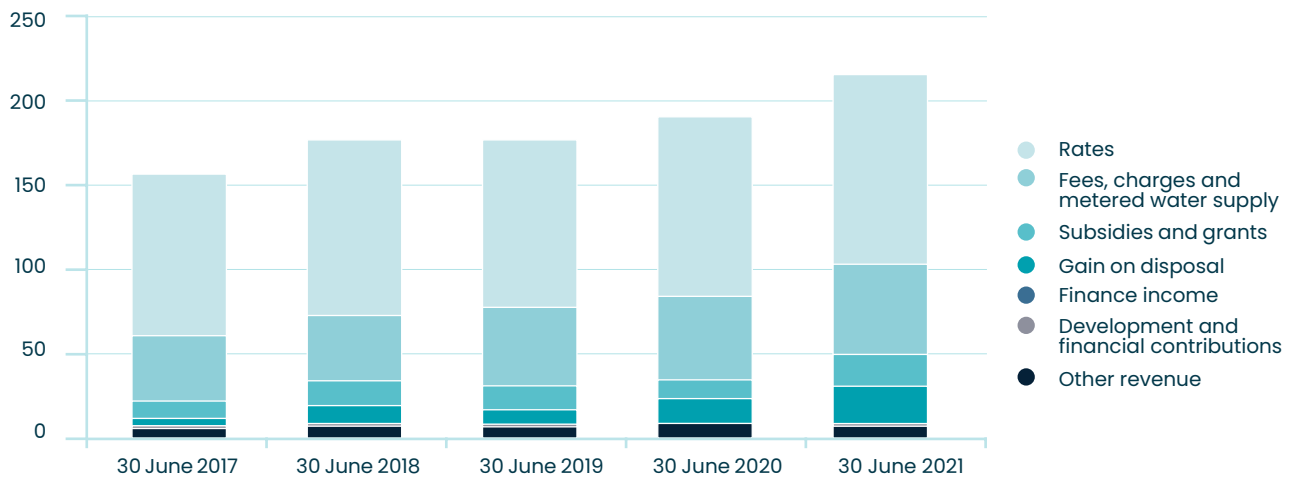
Group 5-year trend of expenditure (\$M)



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
Total equity	1,426.2	1,404.6	1,347.1	1,366.9	1,292.4

# Ngā pāpātanga KOWHEORI-19 o te tātaritanga 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.





# Tauākī Mahi Ratonga

Statement  
of service  
performance

# 2





SUNCHILD

# Pou Tarāwaho

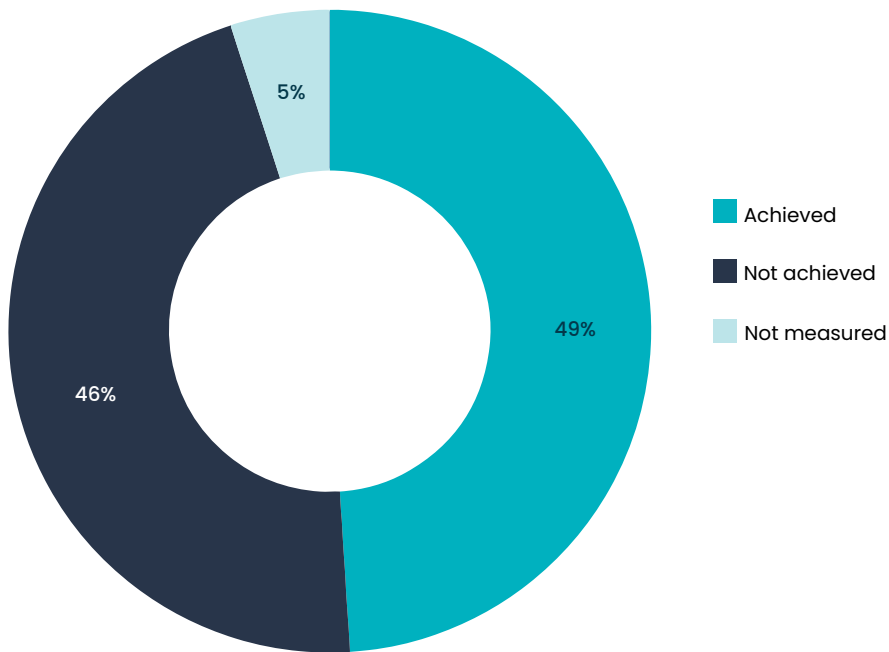
## Infrastructure

### Tātaritanga pou tarāwaho

#### Infrastructure performance

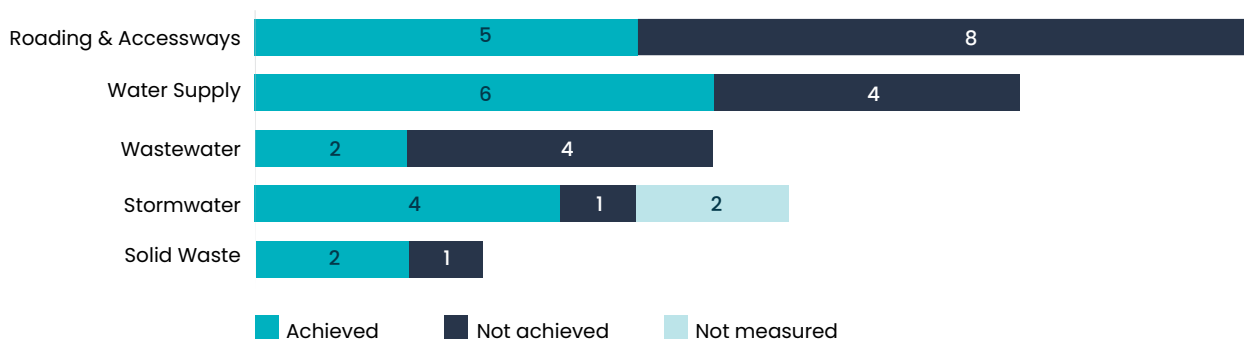
#### Whakarāpopoto aronga tātaritanga

Performance targets summary



#### Aronga tātaritanga o ia wāhi mahi

Key performance targets by activity area





# Ngā huarahi

## Roading and accessways

### Ka ahatia

#### What we do

Our roading and accessways activity includes:

- the professional and technical work involved in managing the city's roading network
- the improvement and day-to-day operation and maintenance of footpaths, road pavement/reconstruction/upgrades, traffic signals, signs, street lighting, parking services, bridge maintenance and various road safety activities.

We support this work through policy development, forward planning, road safety coordination and various quality and safety management systems.

### Nā te aha

#### Why we do it

Having the road corridor in public ownership ensures that all our residents have appropriate access to property and freedom of travel throughout Hutt City. We provide sealed roads, footpaths and streetlights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.





## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with:						
• street lighting	≥ 81%	90%	84%	87%	88%	✓
• roads and gutters being free of litter	≥ 72%	87%	81%	82%	73%	✓
• city free of graffiti	≥ 91%	90%	91%	89%	88% <sup>1</sup>	✗
• traffic control	≥ 80%	89%	87%	88%	85%	✓
• footpaths	≥ 82%	84%	83%	83%	78% <sup>2</sup>	✗
• roads	≥ 92%	90%	92%	91%	86% <sup>3</sup>	✗
• parking in and around Hutt City	≥ 65%	77%	75%	76%	71%	✓
'Road Condition Index', which measures the condition of the road surface <sup>4,5</sup>	Hold or improve (lower) rating	1.4	1.6	3.2	2.9	✓
The average quality of ride on a sealed local road network, measured by smooth travel exposure <sup>6</sup>	Hold or improve (higher) rating	78%	81%	81%	79%	✗
The number of injury and fatal crashes on the local road network <sup>7</sup> expressed as a number	Contributes to lower overall injury & fatal crash stats	191	174	161 <sup>8</sup>	163	--
The change from previous financial year in number of injury and fatal crashes on the local road network expressed as a number		+104	-17	-13	+2	✗
Response to service requests – percentage of customer service requests relating to roads and footpaths which are responded to within the timeframe specified in the Long Term Plan	≥ 94%	99%	97%	95%	90%	✗
Percentage of sealed local road network that is resurfaced	8% <sup>9</sup> (long-term target)	3.6%	4.7%	3.5%	4.3%	✗
Percentage of footpaths that fall within the service standard for footpath condition	≥ 98%	97%	99%	98%	91% <sup>10</sup>	✗

Notes:

1. No comments were received from residents relating to graffiti
2. Of particular concern to residents was the damage being done to footpaths by tree roots and the resulting trip hazard that was being caused
3. Residents' concerns with road maintenance were focused on the condition of rural and local suburban roads that they felt were not adequately maintained.
4. A lower number indicates an improved rating
5. On NZTA advice we have changed the way we measure this KPI. We now measure the whole network each year, rather than half of it, and measure the whole of each road rather than the first 50m of each road. This explains the changed result in 2019-20 which will now be the basis of future performance measurement.
6. A higher percentage indicates an improved rating
7. Includes all crashes that resulted in an injury or death on all roads in Hutt City except State Highway 2
8. Changed from previously published figure to reflect the number of crashes in the 2019-20 financial rather than the 2019 calendar year which had been included
9. The 8% target reflects the 12-year average life of a road in New Zealand. However, resurfacing is undertaken on an 'as needed' basis. Roads in Lower Hutt are, apart from SH2, lower use roads and need resurfacing less frequently than the national average.
10. A 1-5 grading system is used to determine condition. The result includes all those footpaths that fall into categories 1-3; excellent, good and fair.

## Tauākī whiwhinga, whakapaunga whānui

### Statement of comprehensive revenue and expenses

Roads & accessways – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018-28 LTP (Year 2) 2020	Actual 2020	2018-28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	5,321	4,310	5,438	4,146	5,500	1,354
Operating subsidies and grants	4,102	4,279	4,086	4,309	4,675	366
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	4,542	4,395	9,011	9,377	10,603	1,226
Development contributions	96	-	99	350	1	(349)
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	110	-	-	-	-
Vested assets	510	312	521	510	734	224
Other revenue	477	612	488	477	486	9
<b>Total revenue</b>	<b>15,048</b>	<b>14,018</b>	<b>19,643</b>	<b>19,169</b>	<b>21,999</b>	<b>2,830</b>

## Roads & accessways – Statement of comprehensive revenue and expenses for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Expenditure</b>						
Employee costs	1,677	1,945	1,714	1,920	1,893	27
Operating costs	12,287	11,428	12,349	13,076	11,848	1,228
Support costs	2,779	2,796	2,871	3,142	3,141	1
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	1,801	1,366	2,064	1,394	1,227	167
Depreciation	11,539	13,736	11,981	14,309	14,571	(262)
<b>Total expenditure</b>	<b>30,083</b>	<b>31,271</b>	<b>30,979</b>	<b>33,841</b>	<b>32,680</b>	<b>1,161</b>
<b>Deficit before tax</b>	<b>(15,035)</b>	<b>(17,253)</b>	<b>(11,336)</b>	<b>(14,672)</b>	<b>(10,681)</b>	<b>3,991</b>
<b>Total capital expenditure</b>	<b>9,937</b>	<b>8,371</b>	<b>19,558</b>	<b>19,727</b>	<b>19,813</b>	<b>(86)</b>
<b>Rates funding requirement</b>						
Deficit before tax	(15,035)	(17,253)	(11,336)	(14,672)	(10,681)	3,991
Add capital contributions	(4,638)	(4,395)	(9,110)	(9,727)	(10,604)	(877)
<b>Total rates funding requirement</b>	<b>(19,673)</b>	<b>(21,648)</b>	<b>(20,446)</b>	<b>(24,399)</b>	<b>(21,285)</b>	<b>3,114</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	(3,647)	(613)	(336)	277
Capital to improve level of service	(2,880)	(2,882)	(8,396)	(10,443)	(12,959)	(2,516)
Capital to replace existing assets	(7,057)	(5,489)	(7,515)	(8,671)	(6,518)	2,153
Less capital contributions	4,638	4,395	9,110	9,727	10,604	877
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	11,539	13,736	11,981	14,309	14,571	262
<b>Total loan funding requirement</b>	<b>6,240</b>	<b>9,760</b>	<b>1,533</b>	<b>4,309</b>	<b>5,362</b>	<b>1,053</b>
<b>Total funding requirement</b>	<b>(13,433)</b>	<b>(11,888)</b>	<b>(18,913)</b>	<b>(20,090)</b>	<b>(15,923)</b>	<b>4,167</b>

## Hinonga mahi Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Rapid Response Anti-Graffiti Service	214	204	10
Safety Initiatives	20	14	6



## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is over budget mainly due to additional capital and operating subsidies from Waka Kotahi of \$1.6M relating to the LED Streetlighting Upgrade work, which received an enhanced subsidy rate of 85%, and for previously unsubsidised work. User charges are \$1.4M higher than budget due to extra corridor access fees and subdivision approval fees, and parking and infringement fees not being impacted by COVID-19 as significantly as expected.

Expenditure is under budget by \$1.2M mainly due to a reduction of \$0.7M in road bridge maintenance and electricity costs for street lighting benefiting from the LED upgrade, with other savings due to lower-than-expected specialist service fees.

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



## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to meet additional demand</b>			
Cross Valley Link Investigation/Design	136	-	136
Pedestrian Crossings New	11	6	5
Traffic Safety Improvements	466	330	136
<b>Capital to improve level of service</b>			
Accessibility & Footpaths	46	-	46
Bridge Seismic Strengthening Cuba St. Overbridge	820	-	820
Cross Valley Connections	544	-	544
Cycleway/Shared Path Beltway	6,675	6,751	(76)
Cycleway/Shared Path Eastern Bays	200	1,745	(1,545)
Local Area Traffic Management	235	128	107
LED Streetlighting	-	2,676	(2,676)
Land Purchase For Roads	10	8	2
Cycleway/Shared Path Wainuiomata Hill	-	102	(102)
Pedestrian Crossings - New	95	49	46
Reconstruction Improvements	160	-	160
Substandard roads upgrade	1,040	1,067	(27)
School Speed Zone Programme	70	60	10
Traffic Safety Improvements	466	330	136
Wheelchair-Friendly Footpath Routes	82	43	39
<b>Capital to replace existing assets</b>			
Area Wide Pavement Treatment	3,005	2,132	873
Carpark Resurfacing	48	-	48
Footpath Resurfacing And Replacement	205	253	(48)
Pavement Surfacing	3,080	3,119	(39)
Minor Safety Works	100	71	29
Minor Road And Footpath Construction	74	65	9
Pedestrian Crossing Renewal	58	28	30
Road Reconstruction	467	162	305
Streetlight Lantern Replacement Programme	200	-	200
Streetlight Standard Replacement	250	-	250
Street Name Sign Replacement	40	27	13
Traffic Signal Replacement	250	220	30
Wainuiomata Hill Rd Safety Seal	894	441	453

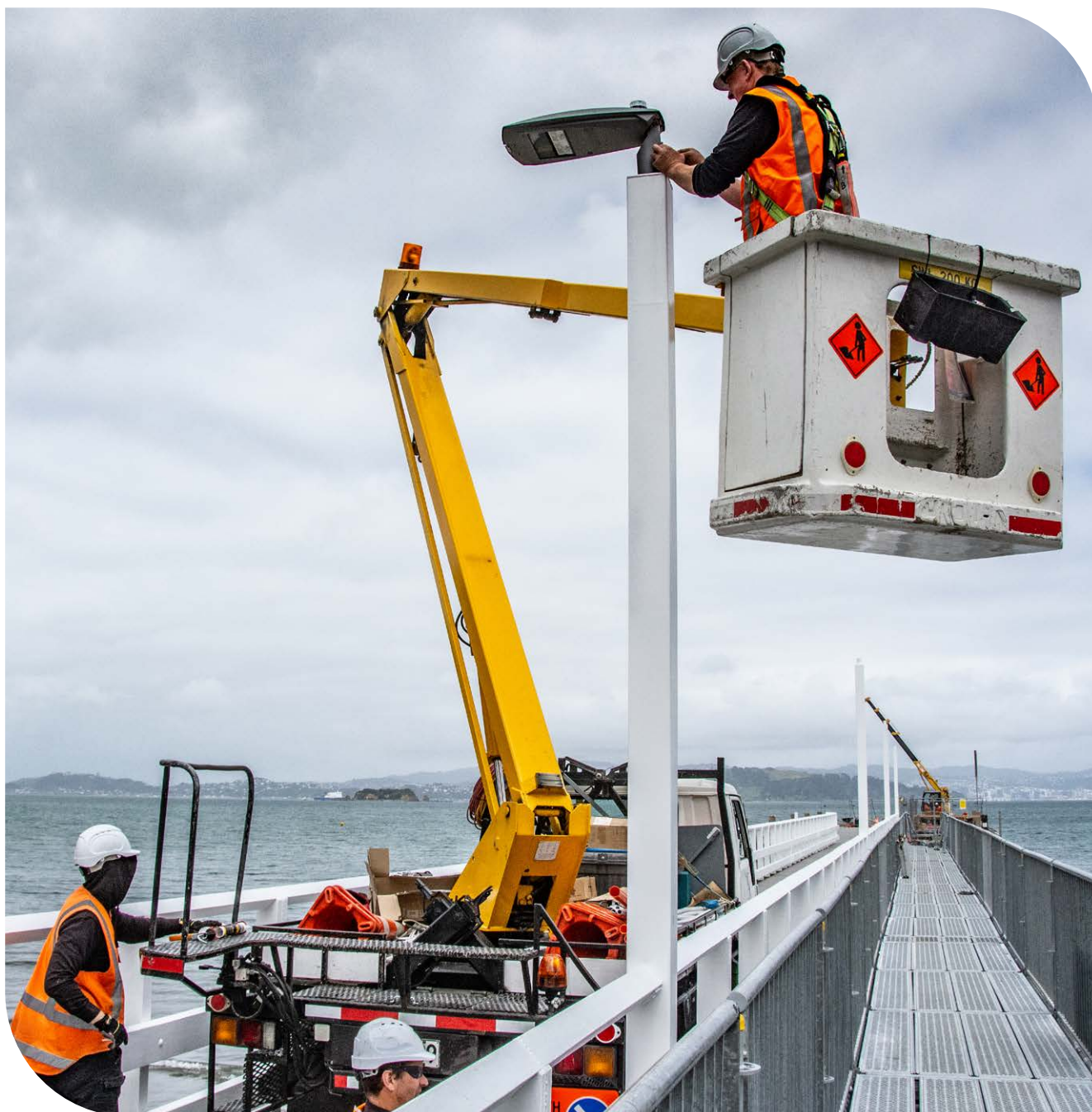
## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Total capital spend is slightly over budget due to additional spending on LED Streetlighting of \$2.7M to take advantage of the enhanced Waka Kotahi subsidy for this work, and higher than budgeted costs for the Eastern Bays Shared Path project of \$1.5M. These costs are offset by underspends due to delays in a number of projects including the Bridge Seismic Strengthening Cuba St Overbridge \$0.8M, Wainuiomata Hill Rd Safety Seal \$0.5M, Cross Valley Connections \$0.7M, Area Wide Pavement Treatment \$0.9M and three minor traffic projects \$0.4M. There were also savings on the Streetlighting capital \$0.5M that was replaced by the LED Upgrade investment.

Most of the delays were mainly due to shortages and supply issues with imported materials and availability of contractors to carry out the work. Underspent budgets have been carried over to future financial years for funding of these projects.

The only significant direct impact on capital expenditure as a result of COVID-19 was the Wainuiomata Hill Rd Safety Seal where imported materials were delayed.





# Ngā puna wai

## Water supply

### Ka ahatia

#### What we do

We provide a sustainable and high-quality water supply to our community for domestic and commercial use. We buy bulk water from Greater Wellington Regional Council (GWRC) and then distribute it to the community through our water supply network. We regularly monitor the water quality and plan for the city's future water supply, including any maintenance and upgrades needed to maintain the required service.

Water quality issues, and security of the water supply, have been a major focus of Wellington Water Ltd (acting on behalf of all the Territorial Authorities in the Wellington metropolitan area), both in advance of, and in response to, the Havelock North incident and subsequent enquiry.

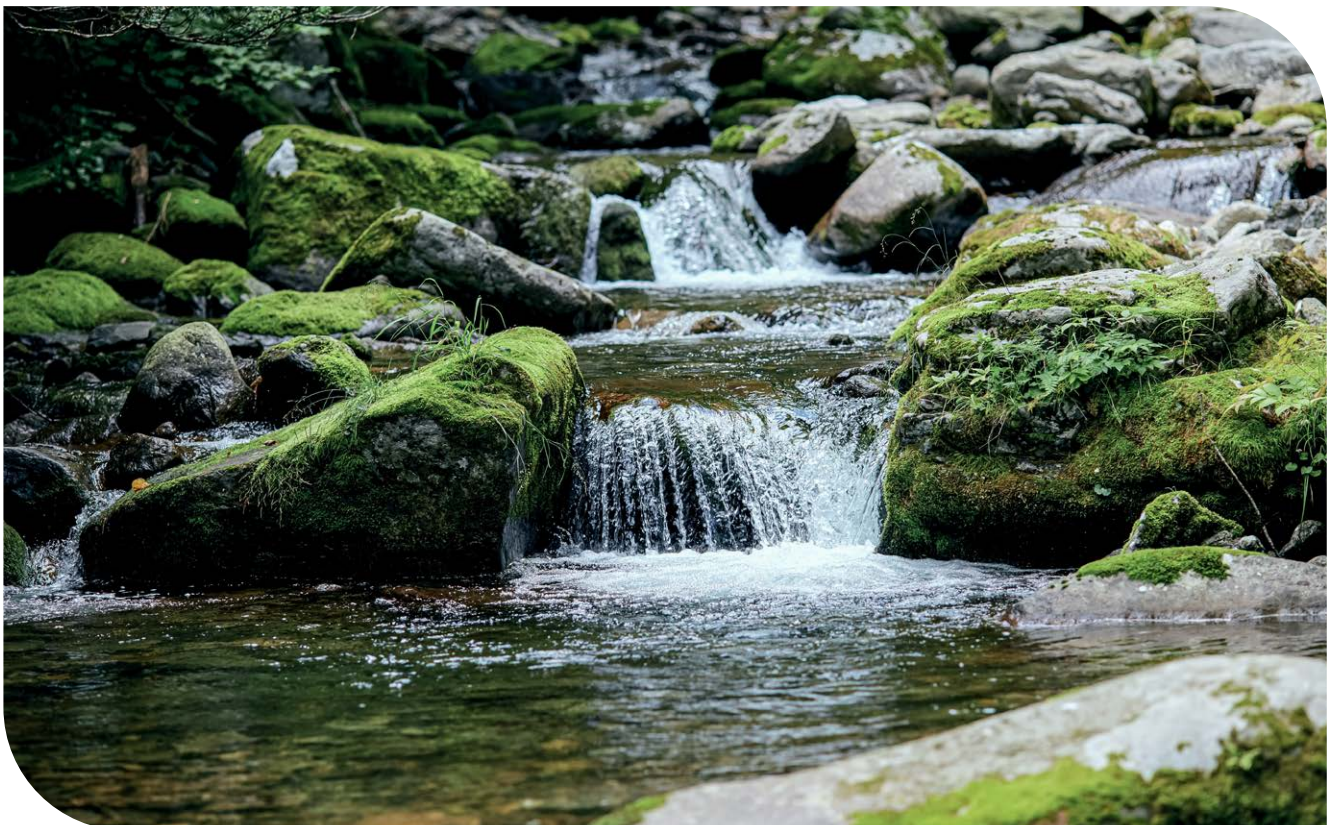
The major outcome of that focus and associated work has been a recognition that water from the Waiwhetu Aquifer, previously untreated, could no longer be deemed to be a secure supply, and as a consequence, water from that source is now both chlorinated and UV treated.

### Nā te aha

#### Why we do it

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

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



## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with the city water supply	≥ 95%	94%	95%	98%	94%	✘
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	Full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	✔
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	Achieved full compliance	✔
Number of complaints for drinking water per 1000 connections	≤ 20 per 1000 connections	16	14	13	18	✔
<ul style="list-style-type: none"> <li>• clarity</li> <li>• taste</li> <li>• odour</li> <li>• pressure or flow</li> <li>• continuity of supply</li> <li>• responsiveness to issues</li> </ul>						
Where the local authority attends a call-out in response to a fault or unplanned interruption to its networked reticulation system, the following median response times measured:						
• attendance for urgent callouts <sup>1</sup>	≤ 60 minutes	38 minutes	38 minutes	101 minutes	85 minutes <sup>3</sup> (74-97 mins)	✘
• resolution of urgent callouts <sup>4</sup>	≤ 4 hours	3 hours	3 hours	8 hours	3 hours <sup>3</sup> (3.27-3.75) hours)	✔
• attendance for non-urgent callouts <sup>1</sup>	≤ 36 hours	48 hours	77 hours	160 hours	68 hours <sup>2</sup>	✘
• resolution of non-urgent callouts <sup>4</sup>	≤ 15 days	3 days	4 days	11 days	6 days	✔
Average drinking water consumption per resident per day	345 litres per day	378 litres per day	376 litres per day	380 litres per day	379 litres per day	✘
Percentage of real water loss from networked reticulation system	≤ 18%	24%	20%	19%	15% <sup>5</sup>	✔

### Notes:

1. From the time that the local authority receives notification to the time that service personnel reach the site
2. The teams across the region have experienced work volumes exceeding their capacity due to the aging network throughout the year that included responding to a number of major incidents. The shortage of skilled labour in the industry continues to compound this and our ability to resource adequately and meet the targets
3. The lowest and highest possible median times for the measure as reported by Wellington Water Limited
4. From the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption
5. The 12 month rolling average results are consistently above target, in part due to leakage, both public and private leaks. We continue to target detection and fixing leaks as a key priority. Additional Service Crews are targeting proactive leak repairs. Increasing number of network meters will help to identify leaks quicker. Detection and repair times will remain challenging without further meters. This end of year result is reported as a mean Hutt City water loss percentage with a 95% confidence interval of between 0% and 45%. It is produced using an updated statistical methodology that aligns with the "benchless approach" described in the Water New Zealand Water Loss Guidelines and meets the requirements of the Non-Financial Performance Measure Rules 2013 specified by the DIA. Due to the limited water meter information there is a wide variance in the confidence intervals for Council specific results. Therefore we are reporting this result as a much more accurate regional percentage until more data is available to support this measure at a Council level.

**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

<b>Water supply – Statement of comprehensive revenue and expenses for the year ended 30 June:</b>						
	<b>2018–28 LTP (Year 2) 2020</b>	<b>Actual 2020</b>	<b>2018–28 LTP (Year 3) 2021</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Bud v Act Variance 2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	3,198	3,282	3,268	3,325	3,202	(123)
Operating subsidies and grants	-	-	-	-	-	-
Operating grants - government	-	-	-	-	1,728	1,728
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	69	9	71	175	26	(149)
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	4	4
Vested assets	116	135	119	116	290	174
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>3,383</b>	<b>3,426</b>	<b>3,458</b>	<b>3,616</b>	<b>5,250</b>	<b>1,634</b>
<b>Expenditure</b>						
Employee costs	-	-	-	-	-	-
Operating costs	13,239	15,250	13,789	15,057	16,766	(1,709)
Support costs	479	493	507	397	397	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	632	454	591	516	454	62
Depreciation	4,079	4,230	4,061	4,792	4,213	579
<b>Total expenditure</b>	<b>18,429</b>	<b>20,427</b>	<b>18,948</b>	<b>20,762</b>	<b>21,830</b>	<b>(1,068)</b>
<b>Deficit before tax</b>	<b>(15,046)</b>	<b>(17,001)</b>	<b>(15,490)</b>	<b>(17,146)</b>	<b>(16,580)</b>	<b>566</b>
<b>Total capital expenditure</b>	<b>3,776</b>	<b>4,158</b>	<b>1,559</b>	<b>5,393</b>	<b>5,182</b>	<b>211</b>
<b>Rates funding requirement</b>						
Deficit before tax	(15,046)	(17,001)	(15,490)	(17,146)	(16,580)	566
Add capital contributions	(69)	(9)	(71)	(175)	(26)	149
<b>Total rates funding requirement</b>	<b>(15,115)</b>	<b>(17,010)</b>	<b>(15,561)</b>	<b>(17,321)</b>	<b>(16,606)</b>	<b>715</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	(448)	(416)	(17)	(294)	(155)	139
Capital to improve level of service	(1,390)	(1,520)	(504)	(2,017)	(962)	1,055
Capital to replace existing assets	(1,938)	(2,222)	(1,038)	(3,082)	(4,065)	(983)
Less capital contributions	69	9	71	175	26	(149)
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	4,079	4,230	4,061	4,792	4,213	(579)
<b>Total loan funding requirement</b>	<b>372</b>	<b>81</b>	<b>2,573</b>	<b>(426)</b>	<b>(943)</b>	<b>(517)</b>
<b>Total funding requirement</b>	<b>(14,743)</b>	<b>(16,929)</b>	<b>(12,988)</b>	<b>(17,747)</b>	<b>(17,549)</b>	<b>198</b>



## Hinonga mahi

### Operating projects

There were no operating projects separately budgeted for the year.

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is higher than budget mainly due to receipt of the government three waters stimulus grant of \$1.7M. Operating costs are unfavourable by \$1.7M mainly due to higher costs to maintain the ageing network which has been funded by the government stimulus grant.

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

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to meet additional demand</b>			
Network Upgrade	68	17	51
Pump Station Upgrades	16	-	16
Reservoir Upgrades	210	138	72
<b>Capital to improve level of service</b>			
Critical Pipelines Seismic Upgrade	330	132	198
Data Collection	38	-	38
Network Upgrade	613	153	460
Pump Station Upgrades	143	-	143
Reservoir Upgrades	490	322	168
Water Resilience	403	355	48
<b>Capital to replace existing assets</b>			
Distribution Pipe Model Development	50	24	26
Reactive Network Renewals	150	334	(184)
Reactive Pump Station Renewals	50	-	50
Reactive Reservoir Renewals	750	177	573
Control Systems Renewals	6	21	(15)
Network Renewals	2,076	3,509	(1,433)

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is slightly under budget. The most significant variance is the additional \$1.6M spent on Network Renewals which was offset by underspends in a number of other projects. This was also offset by Government stimulus funding for all three waters in 2020/21 which allowed for the additional renewals works to be carried out to address issues around the ageing infrastructure. It is expected that

additional Government funding will be received in the 2021/22 financial year to continue this work.

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

# Waiparu

## Wastewater

### **Ka ahatia** What we do

We provide a pipe network that takes household and commercial effluent to the Seaview Wastewater Treatment Plant, which treats it to public health and environmental standards. Opened in November 2001, the resource consents under which the treatment plant now operates ensure that all relevant standards are adhered to, and that full compliance with the Resource Management Act 1991 is achieved. The Plant's operation has led to a significant improvement in the environment. We regularly undertake maintenance and upgrades to maintain the required service levels.

### **Nā te aha** Why we do it

By collecting, treating and disposing of wastewater, we provide a service to residents and businesses that supports development in the city and protects the physical environment and our community's health.



## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with the city wastewater service	≥ 95%	95%	94%	94%	95%	✓
Dry weather wastewater overflows per 1000 connections	0 per 1000 connections	0.05	0.49	0.08	6.25 <sup>1</sup>	✗
Number of complaints per 1000 connections <ul style="list-style-type: none"> <li>wastewater odour</li> <li>wastewater system faults</li> <li>wastewater system blockages</li> <li>responsiveness to wastewater system issues</li> </ul>	≤ 30 per 1000 connections	23	22	19	20	✓
Where the territorial authority attends to sewage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times measured:						
attendance time <sup>2</sup>	≤ 60 minutes	35 minutes	37 minutes	86 minutes	73 minutes <sup>4</sup> (68-78 mins)	✗
resolution time <sup>5</sup>	≤ 6 hours	3 hours	3 hours	4 hours	6.4 hours <sup>4</sup> (5.04-7.90 hours)	✗
Compliance with resource consents for discharges from wastewater system <ul style="list-style-type: none"> <li>number of abatement notices</li> <li>number of infringement notices</li> <li>number of enforcement orders</li> <li>number of convictions</li> </ul>	Nil (No enforcement action)	Nil	Nil	Nil	2 <sup>6</sup>	✗

### Notes:

- The dry weather sewerage overflows are primarily caused by deteriorated sewerage pipes and blockages from tree roots, fats, and sanitary products. WWL strives to minimise their risks to the environment and people with a prompt response and effective post-event clean ups. WWL also actively tracks the overflow records to aid the targeted maintenance regime and Capex renewals programme.
- From the time that the local authority receives notification to the time that service personnel reach the site
- The teams across the region have experienced work volumes exceeding their capacity due to the aging network throughout the year that included responding to a number of major incidents. The shortage of skilled labour in the industry continues to compound this and our ability to resource adequately and meet the targets
- The lowest and highest possible median times for the measure as reported by Wellington Water Limited
- From the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption
- On 14th June 2021 GWRC issued an abatement notice to Veolia and Wellington Water due to release of offensive and objectionable odour beyond Seaview wastewater treatment plant's boundary. This notice covers the 16th and 18th March incidents wherein there were failures in the conveyors of the sludge dryer system causing the dried sludge pellets to be spilled outside the dryer building. The spilled dried sludge caused odour complaints from the nearby establishments which prompted the investigation from GWRC. Wellington Water and Veolia prepared a joint response explaining the causes of the incident and was submitted to GWRC. The issues in the dried sludge conveyors have already been resolved.



**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

<b>Wastewater – Statement of comprehensive revenue and expenses for the year ended 30 June:</b>						
	<b>2018–28 LTP (Year 2) 2020</b>	<b>Actual 2020</b>	<b>2018–28 LTP (Year 3) 2021</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Bud v Act Variance 2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	1,057	1,200	1,080	1,057	1,259	202
Operating subsidies and grants	-	-	-	-	-	-
Operating grants - government	-	-	-	-	650	650
Upper Hutt City Council operating subsidy	2,568	2,397	2,625	2,113	2,288	175
Capital subsidies	-	-	-	-	-	-
Development contributions	838	819	856	2,027	1,344	(683)
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	(4)	-	-	(2)	(2)
Vested assets	116	128	119	116	480	364
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>4,579</b>	<b>4,540</b>	<b>4,680</b>	<b>5,313</b>	<b>6,019</b>	<b>706</b>
<b>Expenditure</b>						
Employee costs	-	-	-	-	-	-
Operating costs	12,288	12,767	12,563	12,204	13,114	(910)
Support costs	986	1,000	1,030	858	858	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	831	608	1,206	682	600	82
Depreciation	7,699	8,149	7,623	9,117	8,228	889
<b>Total expenditure</b>	<b>21,804</b>	<b>22,524</b>	<b>22,422</b>	<b>22,861</b>	<b>22,800</b>	<b>61</b>
<b>Deficit before tax</b>	<b>(17,225)</b>	<b>(17,984)</b>	<b>(17,742)</b>	<b>(17,548)</b>	<b>(16,781)</b>	<b>767</b>
<b>Total capital expenditure</b>	<b>6,154</b>	<b>5,433</b>	<b>20,914</b>	<b>18,985</b>	<b>15,327</b>	<b>3,658</b>
<b>Rates funding requirement</b>						
Deficit before tax	(17,225)	(17,984)	(17,742)	(17,548)	(16,781)	767
Add capital contributions	(838)	(819)	(856)	(2,027)	(1,344)	683
<b>Total rates funding requirement</b>	<b>(18,063)</b>	<b>(18,803)</b>	<b>(18,598)</b>	<b>(19,575)</b>	<b>(18,125)</b>	<b>1,450</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	(2,303)	(2,496)	(13,107)	(9,474)	(4,800)	4,674
Capital to improve level of service	(603)	(615)	(4,848)	(4,061)	(2,079)	1,982
Capital to replace existing assets	(3,248)	(2,322)	(2,959)	(5,450)	(8,448)	(2,998)
Less capital contributions	838	819	856	2,027	1,344	(683)
Less UHCC capital contributions	958	1,046	5,572	4,701	2,431	(2,270)
Less asset sales	-	-	-	-	-	-
Less depreciation	7,699	8,149	7,623	9,117	8,228	(889)
<b>Total loan funding requirement</b>	<b>3,341</b>	<b>4,581</b>	<b>(6,863)</b>	<b>(3,140)</b>	<b>(3,324)</b>	<b>(184)</b>
<b>Total funding requirement</b>	<b>(14,722)</b>	<b>(14,222)</b>	<b>(25,461)</b>	<b>(22,715)</b>	<b>(21,449)</b>	<b>1,266</b>

## Hinonga mahi

### Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Wastewater Flow Management Wainuiomata	89	-	89
Rising Main Vulnerability Assessment	34	-	34

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is higher than budget mainly due to receipt of the government three waters stimulus grant of \$0.7M, and higher vested assets and user charges, offset by a reduction in development contributions as a result of the delay in the capital programme.

Expenditure is close to budget. There is an overspend in operating costs of \$0.9M due

to increased maintenance work and higher electricity costs, offset by reduced depreciation costs \$0.9M. The government stimulus grant has been used to help fund the maintenance overspend.

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



## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to meet additional demand</b>			
Trunk Type B Asset Development	5,119	871	4,248
Trunk Main Outfall Pipeline Overflow Mitigation	882	677	205
Trunk Type A Asset Development	3,473	3,253	220
<b>Capital to improve level of service</b>			
Trunk Type B Asset Development	2,194	373	1,821
Trunk DBO Type B Network Development	-	21	(21)
Trunk Main Outfall Pipeline Overflow Mitigation	378	290	88
Trunk Type A Asset Development	1,489	1,394	95
<b>Capital to replace existing assets</b>			
Network Upgrades	150	3	147
Control Systems Renewals	6	112	(106)
Trunk DBO Asset Replacement Fund	881	1,062	(181)
Trunk DBO Network Cyclic Replacement	59	26	33
Trunk Non-DBO Sewer Renewals	300	-	300
Trunk Non-DBO Minor Works	164	40	124
Trunk Network Improvement Plan	200	161	39
Trunk Resource Consent Renewals	40	255	(215)
Wastewater Modelling	300	314	(14)
Network Renewals	3,350	6,475	(3,125)

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget mainly due to the delay to the Barber Grove to Seaview Treatment Plant collector main works programme \$6.0M included in the Trunk Type B Asset Development project with construction due to commence in the 2021/22 financial year. This is partly offset by an overspend in Network Renewals project \$3.1M as work was reprioritised to address issues around

the ageing infrastructure and utilising the government stimulus funding for all three waters.

Unspent budgets along with the unspent portion of the stimulus fund have been carried over to the 2021/22 financial year.

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



# Waiāwhā

## Stormwater

### **Ka ahatia** What we do

We provide a stormwater drainage pipe network to manage the surface water runoff from urban catchments, providing flood protection and control. Our objective is to achieve the best possible balance between the level of protection and the cost to our community. This includes maintaining and upgrading assets to maintain the required service levels.

### **Nā te aha** Why we do it

Most of the development in Lower Hutt is concentrated on flat valley plains with the potential for flooding. We need to control stormwater to protect our community's health and safety and minimise property damage. A comprehensive stormwater system is the most efficient way to do this.



## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with the city's storm-water service	≥ 73%	86%	83%	78%	78%	✓
Achieve water quality at main recreational beaches: Monitored beaches are suitable for recreational use	90% of days during the bathing season (1 Dec to 31 Mar)	100%	100%	100%	96%	✓
Number of flooding events (where stormwater enters a habitable floor)	0	1	1	1	0	✓
Number of habitable floors flooded (compliant with District Plan)	0 out of 1000 connections per flooding event	0.03	0.08	0.16	UM <sup>2</sup>	-
Number of complaints about stormwater system performance	≤ 30 per 1000 connections	11	11	10	7	✓
Median response time to attend a flooding event <sup>1</sup>	≤ 60 minutes	37 minutes	52 minutes	1526 minutes	UM <sup>2</sup>	-
Compliance with resource consents for discharges from stormwater system: <ul style="list-style-type: none"> <li>• number of abatement notices</li> <li>• number of infringement notices</li> <li>• number of enforcement orders</li> <li>• number of convictions</li> </ul>	Nil (No enforcement action)	Nil	Nil	1	1 <sup>3</sup>	✗

Notes:

1. From the time that the local authority receives notification to the time that service personnel reach the site
2. Not applicable as there were no flooding events
3. Wellington Water received a global abatement notice (stormwater) on 12 February 2021 that applies to the four metropolitan councils. This notice applies to discharges entering stormwater systems during repairs to potable water, stormwater and wastewater pipes. This has been noted and there was a recommendation in an infringement notice to Porirua City Council to improve sediment control available to our crews

**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

<b>Stormwater – Statement of comprehensive revenue and expenses for the year ended 30 June:</b>						
	<b>2018–28 LTP (Year 2) 2020</b>	<b>Actual 2020</b>	<b>2018–28 LTP (Year 3) 2021</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Bud v Act Variance 2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	12	22	12	12	30	18
Operating subsidies and grants	9	5	9	8	4	(4)
Operating grants – government	-	-	-	-	650	650
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	79	1	80	250	7	(243)
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	116	70	119	116	551	435
Other revenue	-	-	-	-	-	-
<b>Total revenue</b>	<b>216</b>	<b>98</b>	<b>220</b>	<b>386</b>	<b>1,242</b>	<b>856</b>
<b>Expenditure</b>						
Employee costs	-	-	-	-	-	-
Operating costs	3,788	4,172	3,875	4,230	4,334	(104)
Support costs	360	368	373	243	243	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	367	260	436	311	274	37
Depreciation	4,255	4,333	4,199	4,984	4,431	553
<b>Total expenditure</b>	<b>8,770</b>	<b>9,133</b>	<b>8,883</b>	<b>9,768</b>	<b>9,282</b>	<b>486</b>
<b>Deficit before tax</b>	<b>(8,554)</b>	<b>(9,035)</b>	<b>(8,663)</b>	<b>(9,382)</b>	<b>(8,040)</b>	<b>1,342</b>
<b>Total capital expenditure</b>	<b>1,906</b>	<b>2,246</b>	<b>4,364</b>	<b>6,276</b>	<b>4,382</b>	<b>1,894</b>
<b>Rates funding requirement</b>						
Deficit before tax	(8,554)	(9,035)	(8,663)	(9,382)	(8,040)	1,342
Add capital contributions	(79)	(1)	(80)	(250)	(7)	243
<b>Total rates funding requirement</b>	<b>(8,633)</b>	<b>(9,036)</b>	<b>(8,743)</b>	<b>(9,632)</b>	<b>(8,047)</b>	<b>1,585</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	(109)	(152)	(282)	(458)	(276)	182
Capital to improve level of service	(490)	(1,347)	(3,599)	(4,209)	(2,621)	1,588
Capital to replace existing assets	(1,307)	(747)	(483)	(1,609)	(1,485)	124
Less capital contributions	79	1	80	250	7	(243)
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	4,255	4,333	4,199	4,984	4,431	(553)
<b>Total loan funding requirement</b>	<b>2,428</b>	<b>2,088</b>	<b>(85)</b>	<b>(1,042)</b>	<b>56</b>	<b>1,098</b>
<b>Total funding requirement</b>	<b>(6,205)</b>	<b>(6,948)</b>	<b>(8,828)</b>	<b>(10,674)</b>	<b>(7,990)</b>	<b>2,684</b>



## Hinonga mahi

### Operating projects

There were no operating projects separately budgeted for the year.

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is higher than budget mainly due to receipt of the government three waters stimulus grant of \$0.7M, and higher vested assets, offset by reduced development contributions as a result of the delay in the completion of capital projects.

Expenditure is under budget mainly due to reduced depreciation costs \$0.5M due to delays with capital projects. There was

slightly higher network maintenance costs \$0.1M resulting from a number of significant adverse events. The government stimulus grant has been used to fund the overspend on maintenance costs.

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

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to meet additional demand</b>			
Awamutu Stream	99	-	99
Beach Stormwater Outlets	43	-	43
Network Upgrades	316	276	40
<b>Capital to improve level of service</b>			
Awamutu Stream	894	-	894
Beach Stormwater Outlets	382	135	247
Dowse Drive Stormwater Improvement	-	4	(4)
Network Upgrades	2,844	2,482	362
Water Resilience	89	-	89
<b>Capital to replace existing assets</b>			
Control Systems Renewals	10	18	(8)
Stormwater Network Modelling	573	707	(134)
Network Renewals	976	600	376
Pump Station Reactive Renewals	50	160	(110)

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget mainly due to delays in the Awamutu Stream project \$1.0M being coordinated by Greater Wellington Regional Council and Network Upgrades and Renewals \$0.6M due to resourcing issues and is now scheduled for the 2021/22 financial year.

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

# Para

## Solid waste

### Ka ahatia

#### What we do

We manage contracts for the collection of the city's refuse and recycling, and own and operate a landfill at which people and businesses can dispose of residual waste.

We implemented the rollout of the new rubbish and recycling service which commenced from 1 July 2021.

### Nā te aha

#### Why we do it

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment.

### Me pēhea te aromatawai i te kounga o hō mātou ratonga

#### How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with:						
• rubbish collection	≥ 93%	95%	94%	94%	91%	✘
• refuse disposal	≥ 85%	93%	91%	88%	88%	✔
No resource consent-related infringement notices received from GWRC	100% compliance	100% compliance	1 notice Received <sup>2</sup>	1 notice Received <sup>3</sup>	100% compliance	✔

#### Notes:

- Nearly all the comments from residents about rubbish collection related to the open topped recycling bins (replaced in July 2021) not being suitable, especially on windy days
- Council received an abatement notice from GWRC on 12 July 2019 for an offensive and objectionable odour event on 17 May 2019. This led to implementation of additional measures to reduce odour and there has been a reduction in odour complaints since.
- Council self-reported a release of sediment into the Hutt River on 23 June 2020, which resulted in an infringement notice from GWRC on 8 September 2020. Following this, significant civil works were undertaken to improve sediment capture at the landfill.

**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

<b>Solid waste – Statement of comprehensive revenue and expenses for the year ended 30 June:</b>						
	<b>2018–28 LTP (Year 2) 2020</b>	<b>Actual 2020</b>	<b>2018–28 LTP (Year 3) 2021</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Bud v Act Variance 2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	14,249	15,878	14,562	15,155	19,343	4,188
Operating subsidies and grants	-	-	-	-	-	-
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	(12)	(12)
Vested assets	-	-	-	-	-	-
Other revenue	515	19	526	5	(13)	(18)
<b>Total revenue</b>	<b>14,764</b>	<b>15,897</b>	<b>15,088</b>	<b>15,160</b>	<b>19,318</b>	<b>4,158</b>
<b>Expenditure</b>						
Employee costs	-	80	-	69	113	(44)
Operating costs	7,367	10,534	7,528	8,839	13,223	(4,384)
Support costs	305	318	333	368	368	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	417	576	477	656	594	62
Depreciation	1,048	1,047	1,119	1,051	1,175	(124)
<b>Total expenditure</b>	<b>9,137</b>	<b>12,555</b>	<b>9,457</b>	<b>10,983</b>	<b>15,474</b>	<b>(4,491)</b>
<b>Surplus before tax</b>	<b>5,627</b>	<b>3,342</b>	<b>5,631</b>	<b>4,177</b>	<b>3,844</b>	<b>(333)</b>
<b>Total capital expenditure</b>	<b>3,928</b>	<b>5,069</b>	<b>9,221</b>	<b>4,404</b>	<b>8,083</b>	<b>(3,679)</b>
<b>Rates funding requirement</b>						
Surplus before tax	5,627	3,342	5,631	4,177	3,844	(333)
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>5,627</b>	<b>3,342</b>	<b>5,631</b>	<b>4,177</b>	<b>(3,844)</b>	<b>(333)</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(3,928)	(5,069)	(9,221)	(4,404)	(8,083)	(3,679)
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,048	1,047	1,119	1,051	1,175	124
<b>Total loan funding requirement</b>	<b>(2,880)</b>	<b>(4,022)</b>	<b>(8,102)</b>	<b>(3,353)</b>	<b>(6,907)</b>	<b>(3,554)</b>
<b>Total funding requirement</b>	<b>2,747</b>	<b>(680)</b>	<b>(2,471)</b>	<b>824</b>	<b>(3,063)</b>	<b>(3,887)</b>



## Hinonga mahi

### Operating projects

There were no operating projects separately budgeted for the year.

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is over budget due to higher than expected revenue from the Silverstream Landfill. This additional revenue is mainly due to an increase in waste associated with increased economic activity and an increase in contaminated and special waste for which there is a higher charge. These resulted mainly from increased demolition and site development work within the city.

Expenditure is over budget mainly due to resources required to manage increased volumes across the landfills \$1.2M, higher costs of ETU carbon credit purchases \$1.0M, extra costs for the existing Refuse & Recycling collections costs \$0.5M, plus costs related to system changes to Refuse & Recycling \$0.6M.

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

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			
Silverstream Landfill Building Improvements	350	-	350
Cleanfill Site Development	5	-	5
Green waste Bin Purchase	-	226	(226)
Recycling Bin Purchase	-	2,780	(2,780)
Refuse Bins Purchase	-	2,138	(2,138)
Silverstream Landfill Stage 2 Design & Construction	4,049	2,938	1,111

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is over budget due to costs of \$5.1M related to the refuse and recycling bins purchases. While not budgeted in the Annual Plan it was treated as an amendment to the previous 2018/2028 Long Term Plan with \$5.2M budget included for the 2020/2021 financial year. This is partly offset by an underspend of \$1.5M due to some rephasing of work at the Silverstream Landfill Stage 2 and Building

Improvement projects. Unspent budgets for these have been carried over to complete the projects in the 2021/22 financial year.

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

# Whakatupu tāone

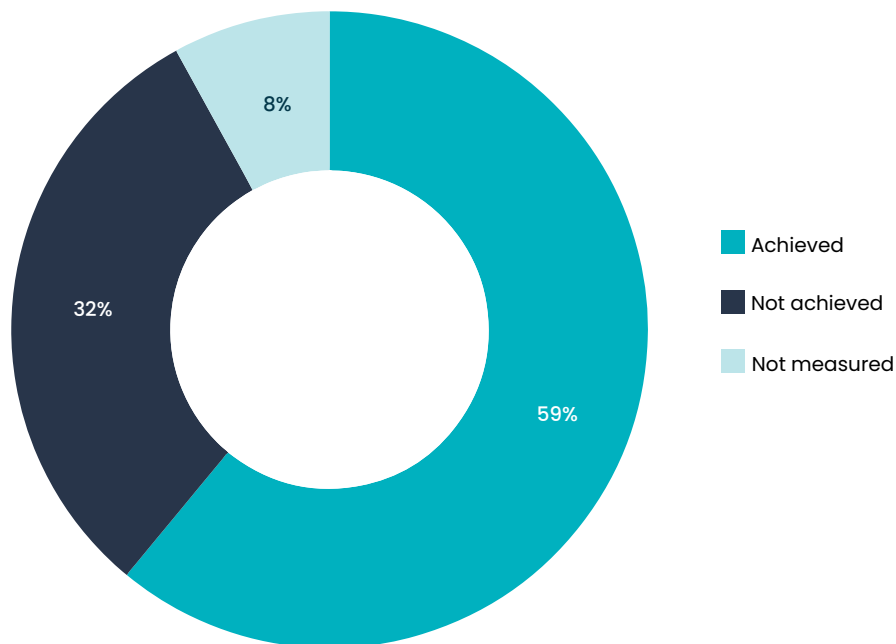
## City growth

### Tātaritanga whakatupu tāone

#### City growth performance

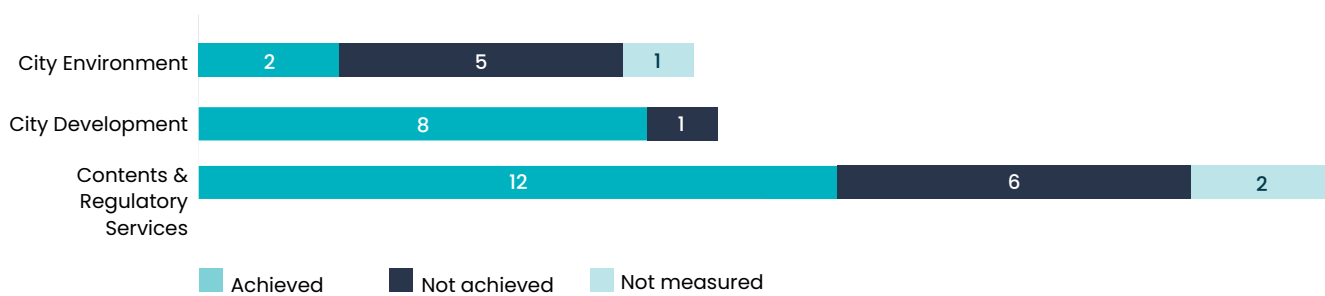
#### Whakarāpopoto aronga tātaritanga

Performance targets summary



#### Aronga tātaritanga o ia wāhi mahi

Key performance targets by activity area



# Wāhi tāone

## City environment

### Ka ahatia

#### What we do

We work to develop an urban environment that will enhance the city's image, attract people, businesses and investment, and meet our community's needs and aspirations now and into the future, while recognising the important role of our heritage and features.

We do this by:

- developing, reviewing, implementing and monitoring the District Plan,
- advocating for good long-term spatial and urban form solutions through expert design advice, and
- preserving and protecting our heritage buildings, reflecting and enhancing our distinctive character and identity.

### Nā te aha

#### Why we do it

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment. We recognise that our urban design and infrastructure must support our changing business and community environment. We manage and develop Hutt City's public spaces and preserve our heritage buildings because this benefits both businesses and our community. It contributes to our point of difference from other cities, supporting local cultures and enhancing how we identify ourselves.

### Me pēhea te aromatawai i te kounga o hō mātou ratonga

#### How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
<b>Making Places: RiverLink Project</b>						
• Lodgement of Resource Consent application	Late 2020	New measure for 2018-19	Not achieved	Not achieved	Not achieved <sup>1</sup>	✘
• Start construction	Mid 2022	New measure for 2018-19	Not achieved	Not achieved <sup>2</sup>	Not measured	-
Residents feel a sense of pride in the way the city looks and feels	≥ previous results	85%	87%	90%	86% <sup>3</sup>	✘
<b>Residents' satisfaction with:</b>						
• litter control	≥ 86%	85%	86%	83%	79% <sup>4</sup>	✘
• recycling	≥ 86%	90%	87%	81%	78% <sup>4</sup>	✘
Percentage of households that have used the recycling service in the previous 12 months	86%	86%	86%	90%	86%	✔
Tonnes of recycling collected per annum	Increasing	8,235	8,144	7,025	5,642 <sup>5</sup>	✘
Percentage of Plan Changes and Notices of Requirements processed within statutory requirements	100%	100%	100%	100%	100%	✔

#### Notes:

1. Lodgement now due in August 2021. Timing was changed to include NZTA/Melling project that was announced on 29 January 2020: <https://www.nzta.govt.nz/projects/melling-transport-improvements/>
2. Construction to start 2022. Timing was changed to include NZTA/Melling Melling project that was announced on 29 January 2020: <https://www.nzta.govt.nz/projects/melling-improvements/>
3. No comments about the City's look and feel or residents' pride in their city were provided
4. Nearly all the comments from residents about litter control and recycling related to the open topped recycling bins (replaced in July 2021) not being suitable especially on windy days and the contents of these bins being strewn down streets and into waterways
5. During the lockdown period in 2020 two recycling stations were closed and have not reopened. We would hope to see an increase in the amount of material being recycled following the provision of larger recycling bins to households in July 2021 and separate glass collection.



## Wāhi tāone: Tauākī whiwhinga, whakapaunga whānui

### City environment: Statement of comprehensive revenue and expenses

City environment – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	159	-	224	82	80	(2)
Operating subsidies and grants	-	-	-	-	-	-
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	(1)	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	102	4	104	-	110	110
<b>Total revenue</b>	<b>261</b>	<b>3</b>	<b>328</b>	<b>82</b>	<b>190</b>	<b>108</b>
<b>Expenditure</b>						
Employee costs	640	439	654	398	535	(137)
Operating costs	1,556	2,322	603	2,185	1,230	955
Support costs	503	507	512	677	677	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	1,842	-	1,686	322	283	39
Depreciation	1,374	-	1,406	813	-	813
<b>Total expenditure</b>	<b>5,915</b>	<b>3,268</b>	<b>4,861</b>	<b>4,395</b>	<b>2,725</b>	<b>1,670</b>
<b>Deficit before tax</b>	<b>(5,654)</b>	<b>(3,265)</b>	<b>(4,533)</b>	<b>(4,313)</b>	<b>(2,535)</b>	<b>1,778</b>
<b>Total capital expenditure</b>	<b>3,157</b>	<b>4,557</b>	<b>3,523</b>	<b>5,770</b>	<b>2,696</b>	<b>3,074</b>
<b>Rates funding requirement</b>						
Deficit before tax	(5,654)	(3,265)	(4,533)	(4,313)	(2,535)	1,778
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(5,654)</b>	<b>(3,265)</b>	<b>(4,533)</b>	<b>(4,313)</b>	<b>(2,535)</b>	<b>1,778</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(3,137)	(4,557)	(3,440)	(5,770)	(2,696)	3,074
Capital to replace existing assets	(20)	-	(83)	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,374	-	1,406	813	-	(813)
<b>Total loan funding requirement</b>	<b>(1,783)</b>	<b>(4,557)</b>	<b>(2,117)</b>	<b>(4,957)</b>	<b>(2,696)</b>	<b>2,261</b>
<b>Total funding requirement</b>	<b>(7,437)</b>	<b>(7,822)</b>	<b>(6,650)</b>	<b>(9,270)</b>	<b>(5,231)</b>	<b>4,039</b>

## Hinonga mahi

### Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Heritage Incentives	52	40	12
Sculpture Trust	50	50	-
Petone 2040	135	-	135
District Plan Work	1,350	415	935

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

There is no significant revenue variance.

Expenditure is under budget due to delays in a number of projects but mainly in the District Plan Work \$0.9M due to insufficient resources as a result of staff vacancies resulting in delays in commissioning technical assessments and also delays in expected new national policy direction from central government. This has

resulted in work being deferred and carried over into 2021/22 and later financial years. There were also delays with Petone 2040 project \$0.1M. Delays in capital projects in this activity have resulted in reduced depreciation.

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

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			
RiverLink - Promenade & Urban Improvements	5,430	1,772	3,658
RiverLink - Strategic Property Purchases	-	898	(898)
Suburban Shopping Centres Improvements	340	1	339
Wainuiomata Queen Street Development	-	25	(25)

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget mainly due to delays in the RiverLink Promenade & Urban Improvements project \$3.7M due to longer time than expected in formalising the partnership agreement and subsequent delays in lodging the consent applications, plus delays in Suburban Shopping Centres Improvements

work \$0.3M, offset by costs for RiverLink Strategic Property Purchases \$0.9M.

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

# Whanake tāone

## City development

### Ka ahatia

What we do

We take a lead role in promoting Hutt City to develop and grow by:

- creating a business-friendly environment,
- facilitating the expansion and creation of local businesses and employment,
- increasing tourism and events in Hutt City,
- contributing to regional growth through regional economic development,
- providing quality online and digital experiences to our customers,
- managing an integrated year-round events calendar, and
- building our reputation and community as a hub for cutting-edge sciences, engineering and technology business.

### Nā te aha

Why we do it

Attracting and providing services for business and visitors is necessary for the city's economic development. By supporting the business sector and promoting Hutt City as a business location and vibrant city, we generate benefits for local enterprises and our residents. Major events make the city a more vibrant and interesting place, and attract visitors from outside the city.



## Me pēhea te aromatawai i te kōunga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
<b>Urban Growth Strategy</b>						
<ul style="list-style-type: none"> <li>population growth (to achieve population increase of 110,000 by 2032)<sup>1</sup></li> </ul>	≥ 0.6% per annum	1.3%	1.1%	1.0%	1.8%	✓
<ul style="list-style-type: none"> <li>number of new homes (to achieve 6000 new homes by 2032)<sup>2</sup></li> </ul>	≥ 328 new homes per annum	466	224	493	UM	
<ul style="list-style-type: none"> <li>number of new dwellings and units consented (to achieve 6000 new homes by 2032)<sup>2</sup></li> </ul>	≥ 328 new homes per annum	395	492	540	940	✓
<b>Hutt City's economic performance</b>						
number of businesses in Lower Hutt	11,000 by 2028	New measure for 2018-19	10,365	10,623	10,902	✓ <sup>5</sup>
employment in medium/high-tech sector	4,600 by 2028	New measure for 2018-19	3,819	3,772	3,857	✗ <sup>5</sup>
medium/high tech businesses as a percentage of total business numbers in Lower Hutt	10% by 2028	New measure for 2018-19	9.6%	9.9%	10.0%	✓ <sup>5</sup>
number of businesses in medium and high-tech sector	1,100 by 2028	New measure for 2018-19	993	1,053	1,089	✓ <sup>5</sup>
Number of attendees at major events in Hutt City supported by the Major Event Fund <sup>3</sup>	No events / attendees	154,000 attendees	158,500 attendees	124,000 attendees	No events / attendees	✓
Number of minor events in Hutt City supported through the event support fund <sup>4</sup>	25 events	29 events supported	35 events supported	32 events supported	28 events supported	✓
Commercial event attraction: Commercial events will be secured to take place in Lower Hutt	\$1million pa economic benefit to the city	New measure for 2018-19	\$5,041,000	\$1,871,000	\$1,317,000	✓

Notes:

- Population estimates are published in October each year; data provided is latest available at time of publication.
- In the 2020-21 the source of this data was changed to the 'NZ Building Consents Quarterly data published by Stats NZ. The new dwellings data was used and includes houses, apartments, townhouses, units apartments, flats and village retirement units.
- The Major Event Fund is used for Council owned events, as well as providing support to other events that take place in our city. This fund was withdrawn in 2019-20 and the target reset accordingly.
- The event support fund (previously named minor event funds) is a grant fund that community event organisers can apply to for support.
- Achievement against annual target goal towards the 2028 target.



## Whanake tāone: Tauākī whiwhinga, whakapaunga whānui

### City development: Statement of comprehensive revenue and expenses

City development – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	63	97	64	242	208	(34)
Operating subsidies and grants	56	196	57	20	-	(20)
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	321	214	328	198	179	(19)
<b>Total revenue</b>	<b>440</b>	<b>507</b>	<b>449</b>	<b>460</b>	<b>387</b>	<b>(73)</b>
<b>Expenditure</b>						
Employee costs	2,097	2,079	2,077	1,908	1,577	331
Operating costs	4,174	6,259	2,785	6,861	5,777	1,084
Support costs	647	669	663	1,140	1,140	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	192	27	266	2	2	-
Depreciation	1,053	12	2,504	33	4	29
<b>Total expenditure</b>	<b>8,163</b>	<b>9,046</b>	<b>8,295</b>	<b>9,944</b>	<b>8,499</b>	<b>1,445</b>
<b>Deficit before tax</b>	<b>(7,723)</b>	<b>(8,539)</b>	<b>(7,846)</b>	<b>(9,484)</b>	<b>(8,112)</b>	<b>1,372</b>
<b>Total capital expenditure</b>	<b>5,067</b>	<b>-</b>	<b>3,168</b>	<b>1,523</b>	<b>381</b>	<b>1,142</b>
Rates funding requirement						
Deficit before tax	(7,723)	(8,539)	(7,846)	(9,484)	(8,112)	1,372
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(7,723)</b>	<b>(8,539)</b>	<b>(7,846)</b>	<b>(9,484)</b>	<b>(8,112)</b>	<b>1,372</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	(5,067)	-	(3,168)	(1,450)	(381)	1,069
Capital to improve level of service	-	-	-	(73)	-	73
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,053	12	2,504	33	4	(29)
<b>Total loan funding requirement</b>	<b>(4,014)</b>	<b>12</b>	<b>(664)</b>	<b>(1,490)</b>	<b>(377)</b>	<b>1,113</b>
<b>Total funding requirement</b>	<b>(11,737)</b>	<b>(8,527)</b>	<b>(8,510)</b>	<b>(10,974)</b>	<b>(8,489)</b>	<b>2,485</b>

## Hinonga mahi Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Jackson Street Programme	138	138	-
Events Funding	126	99	27
International Co-operating Cities	5	1	4
Economic Development Strategy	85	82	3
Research - Monitoring & Evaluation Of Outcome	30	46	(16)
Love Wainuiomata	145	145	-
Hutt Valley Chamber of Commerce	100	100	-
Economic Development Contestable Fund	44	43	1
Science & Technology	120	-	120
Development Stimulus Package	4,186	3,553	633
CBD Place Maker	100	83	17
Urban Growth - Wellington Reg Growth Framework	50	51	(1)
1st Assembly (Start Up Hub)	100	92	8
Technology Valley	130	130	-
Naenae CBD Activation	300	159	141
Southend Business Group	40	41	(1)

### Ngā panonitanga mahi matua i Pūrongo ā-Tau Significant operating variations from Annual Plan

Revenue is slightly under budget mainly due to some property lease revenue and grants not eventuating.

Expenditure is under budget due to underspend on the Development Stimulus Package of \$0.6M, and Naenae CBD Activation \$0.1M, with both due to be spent in the 2021/22 financial year. Reduced employee costs from unfilled

vacancies of \$0.3M and reduced promotional/ sponsorship spend \$0.4M contributed to further savings.

There was no direct material impact on operating revenue and expenditure as a result of COVID-19, although the uncertainties related to this meant some events Council supported were delayed or cancelled.



## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to meet additional demand</b>			
Urban Growth Strategy Improvements	1,450	381	1,069
<b>Capital to improve level of service</b>			
Vehicle Purchase	73	-	73

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget due to delays in the Urban Growth Strategy Improvements project related to the Holborn Reservoir which has been held up due to delays in negotiating an agreement with a developer and the Wise Street extension mainly due to finalising design,

with both expected to occur in the 2021/22 financial year.

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



# Ratonga whakariterite

## Consents and regulatory services

### **Ka ahatia**

#### What we do

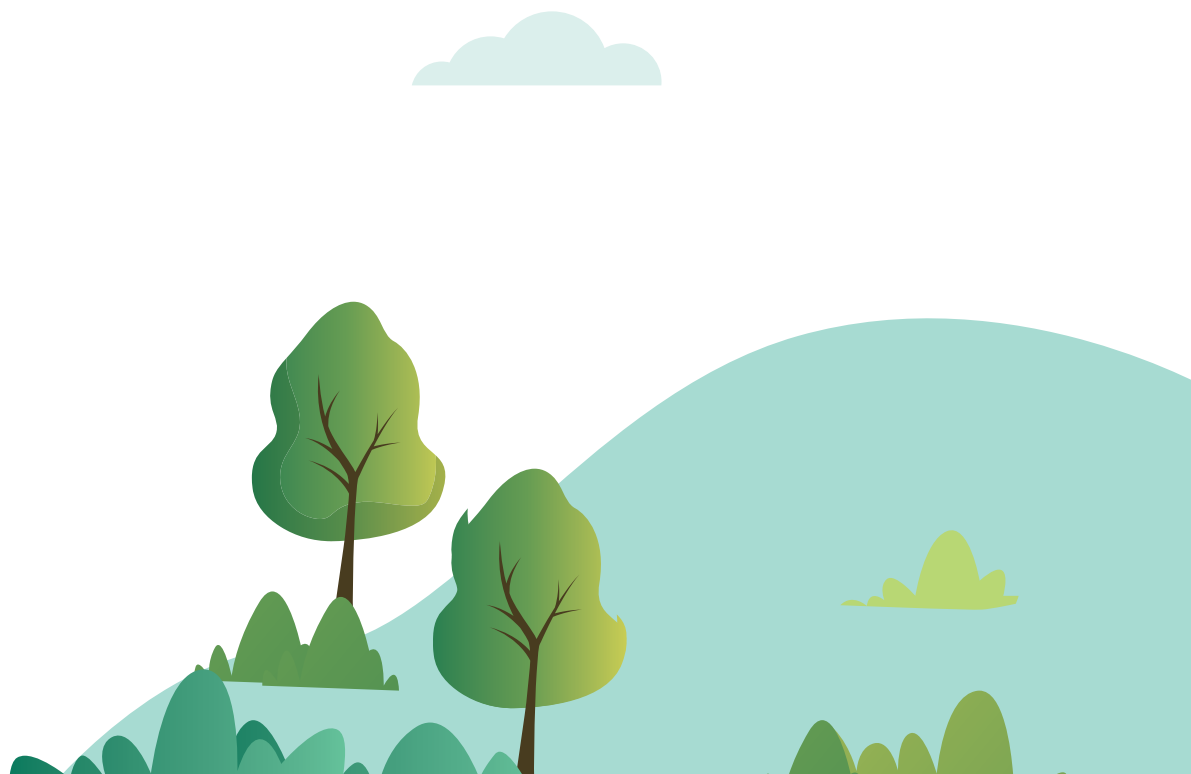
This activity includes:

- providing resource management and building consents and inspections
- regular monitoring to ensure compliance with legislative requirements, the District Plan, resource and building consent conditions and bylaw requirements
- inspections of business and food premises, certifications, and liquor licensing bylaw compliance
- pollution and trade waste control
- monitoring beaches to promote and protect public health and safety
- monitoring and controlling noise and hazardous substances
- animal control services
- parking enforcement.

### **Nā te aha**

#### Why we do it

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment for residents and visitors. It is also a legal requirement for council.





## Me pēhea te aromatawai i te kōunga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Land Information Memoranda (LIMs) processed within 10 working days to comply with statutory requirements	> 95% processed within nine working days	92%	98%	99%	99%	✓
Building consent/project information and resource consents processed to comply with the Building Code, Resource Management Act 1991 (RMA) and District Plan requirements	≥ 80% of building & non-notified land use consents processed within 18 working days	97% of building consents	96% of building consents	94% of building consents	94% of building consents	✓
		80% of non-notified land-use resource consents	55% of non-notified land-use resource consents	16% of non-notified land-use resource consents	40% of non-notified land-use resource consents <sup>1</sup>	✗
Resource consents are monitored within five working days of being notified that development is commencing or within six months of the consent being granted, whichever is the sooner	≥ 90% of resource consents monitored within these timeframes	100% within five working days	100% within five working days	97% within five working days	100% within five working days	✓
		100% within six months of the consent being granted	100% within six months of the consent being granted	100% within six months of the consent being granted	100% within six months of the consent being granted	✓
Requests for service referred to RMA monitoring and enforcement team responded to within required timeframes	100% acknowledged within 24 hours	100%	100%	99%	99%	✗
Building consents for fireplaces processed in a timely manner	100% processed within five working days	100%	100%	99%	94% <sup>2</sup>	✗
Building consents for solar panels processed in a timely manner	100% processed within five working days	100%	100%	100%	100%	✓
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act 2004	80% issued within 18 working days	100% within 20 working days	100% within 20 working days	100% within 20 working days	88% within 20 working days <sup>3</sup>	✗
		99% within 18 working days	99% within 18 working days	86% within 18 working days	85% within 18 working days	✓
User satisfaction with Eco-Design Advisor home visit service	≥ 90%	New measure for 2020-21	New measure for 2020-21	New measure for 2020-21	100%	✓

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with:						
• animal services	≥ 80%	85%	86%	88%	87%	✓
• enforcement of parking restrictions	≥ 70%	82%	81%	82%	81%	✓
Animal services open 300 days per year	100%	100%	100%	100%	100%	✓
Dog complaints are responded to:						
• within 30 minutes for dog attacks	≥ 95%	UM	UM	UM	UM <sup>4</sup>	--
• within 24 hours for other complaints	≥ 95%	UM	UM	UM	UM <sup>4</sup>	--
Noise complaints responded to within 45 minutes	≥ 85%	85%	86%	69%	83% <sup>5</sup>	✗
New food businesses verified within six weeks of the date of registration under the Food Act 2014	95%	New measure for 2018-19	0%	41%	47% <sup>6</sup>	✗
Existing food businesses verified within their agreed timeframes (between 3 to 18 months, depending upon the outcome of their previous verification)	95%	New measure for 2018-19	6%	79%	100%	✓
High risk premises selling liquor are inspected during their peak trading hours to maintain compliance with the Sale and Supply of Alcohol Act 2012	95%	New measure for 2018-19	98%	87%	99%	✓

Notes:

1. Due to the complexity and increasing number of consents (344 for 20/21 vs 327 for 19/20) this was unable to be met. However, it was an improvement on the previous year (40% for 20/21 vs 16% for 19/20). There was a lack of resource in the engineering team which resulted in the delays in processing consents.
2. The increased demand for multi-residential dwellings and complex consents has affected our 5 day target for fireplaces, achieving 94% of the 100% target.
3. A concerted effort to focus on historical consents that haven't been issued with Code Compliance Certificates has affected statutory timeframes. A new procedure for issuing code compliance certificates was introduced that also affected timeframes.
4. During the year it was noted that the response time data that was being collected relates to the contract Hutt City Council manages for Wellington City Council and does not include responses to attacks and other complaints in Hutt City. It was therefore decided the measure and previously reported data should be removed.
5. There were a higher than usual number of noise related attendances in the first quarter of the financial year. This put the contractor behind, despite improving throughout the remainder of the year. There was a marked improvement on the previous year and the target was very close to being achieved.
6. New food operators were often not ready for verification within 6 weeks, or verifications were often postponed at the request of the operator. There has been an improvement on last year, but these factors continue to affect delivery of this performance target.

## Tauākī whiwhinga, whakapaunga whānui

### Statement of comprehensive revenue and expenses

Consents & regulatory services – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	5,671	7,321	5,796	7,652	8,353	701
Operating subsidies and grants	-	-	-	-	-	-
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	(1)	-	-	5	5
Vested assets	-	-	-	-	-	-
Other revenue	1,155	1,132	1,180	1,172	1,175	3
<b>Total revenue</b>	<b>6,826</b>	<b>8,452</b>	<b>6,976</b>	<b>8,824</b>	<b>9,533</b>	<b>709</b>
<b>Expenditure</b>						
Employee costs	6,960	7,128	7,086	6,841	7,511	(670)
Operating costs	1,746	2,555	1,785	1,987	2,393	(406)
Support costs	2,000	2,127	2,020	3,245	3,246	(1)
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	13	11	9	9	8	1
Depreciation	76	90	62	44	61	(17)
<b>Total expenditure</b>	<b>10,795</b>	<b>11,911</b>	<b>10,962</b>	<b>12,126</b>	<b>13,218</b>	<b>(1,092)</b>
<b>Deficit before tax</b>	<b>(3,969)</b>	<b>(3,459)</b>	<b>(3,986)</b>	<b>(3,302)</b>	<b>(3,685)</b>	<b>(383)</b>
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>606</b>	<b>548</b>	<b>58</b>
<b>Rates funding requirement</b>						
Deficit before tax	(3,969)	(3,459)	(3,986)	(3,302)	(3,685)	(383)
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(3,969)</b>	<b>(3,459)</b>	<b>(3,986)</b>	<b>(3,302)</b>	<b>(3,685)</b>	<b>(383)</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	-	-	-	(606)	(548)	58
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	76	90	62	44	61	17
<b>Total loan funding requirement</b>	<b>76</b>	<b>90</b>	<b>62</b>	<b>(562)</b>	<b>(487)</b>	<b>75</b>
<b>Total funding requirement</b>	<b>(3,893)</b>	<b>(3,369)</b>	<b>(3,924)</b>	<b>(3,864)</b>	<b>(4,172)</b>	<b>(308)</b>

## Hinonga mahi Operating projects

There were no operating projects separately budgeted for the year.

## Ngā panonitanga mahi matua i Pūrongo ā-Tau Significant operating variations from Annual Plan

Revenue is over budget due to higher user charges of \$0.7M related to greater than expected resource consents.

Expenditure is over budget due to an increase in staff and contractor costs of \$1M required to

carry out processing of high numbers of consents applications.

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

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			
Dog Park	480	548	(68)
Vehicle Purchase	126	-	126

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau Significant capital variations from Annual Plan

Capital is over budget due to higher-than-expected costs in the construction of the new dog park. There was no direct material impact on capital as a result of COVID-19.





# Ngā mahi a te rēhia

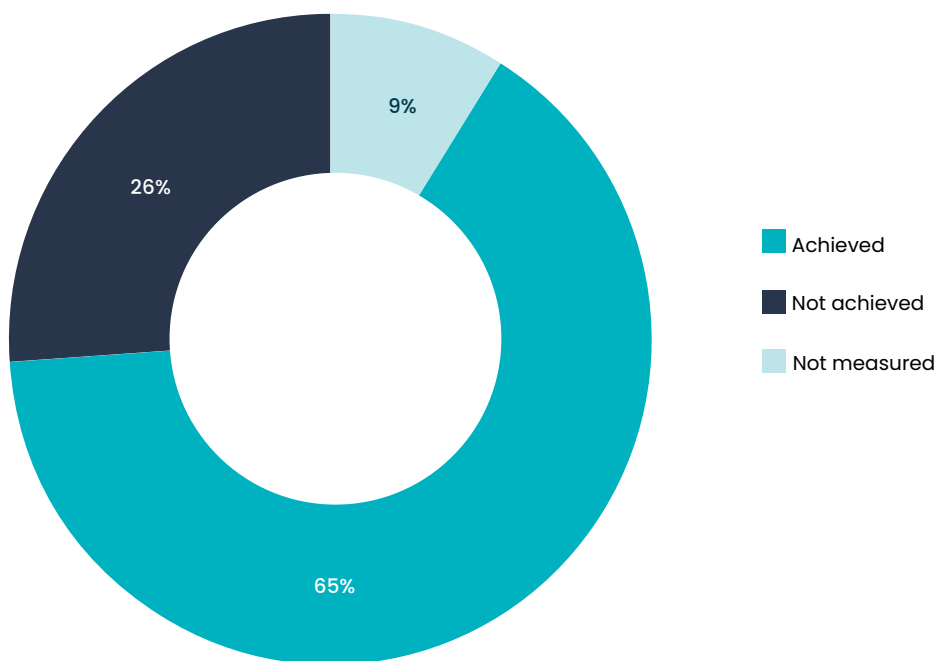
## Leisure and wellbeing

### Tātaritanga mahi a te rēhia

#### Leisure and wellbeing performance

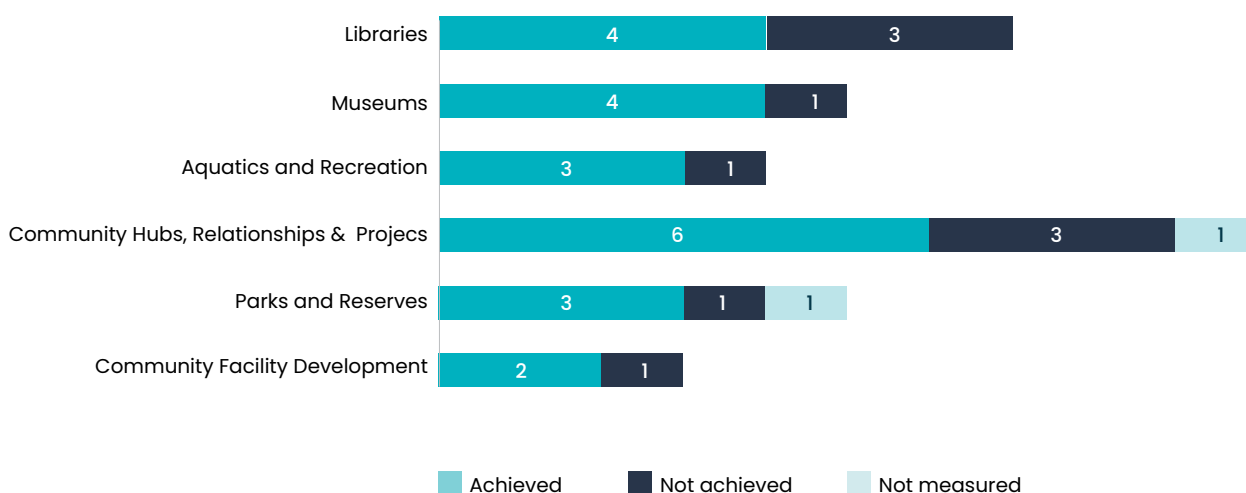
#### Whakarāpopoto aronga tātaritanga

Performance targets summary



#### Aronga tātaritanga o ia wāhi mahi

#### Key performance targets by activity area



# Ratonga hapori pāhekoheko

## Integrated community services

### Ka ahatia

#### What we do

We provide:

- eight libraries across the city, which run as a single city-wide service. Libraries are located in the Lower Hutt CBD, Moerā, Naenae, Taitā, Stokes Valley, Eastbourne, Petone and Wainuiomata. Petone Community Library provides a focus for heritage collections and services
- two museums, the Dowse Art Museum and the Petone Settlers Museum, which are open to the public at no charge with the exception of special exhibitions
- six swimming pools, nine community halls and three community gyms (noting Naenae Pool and Fitness was closed throughout 20/21 and a new pool is being built)
- a range of community based recreational programmes and events designed to remove barriers to participation and encourage residents to engage in recreational activities
- three integrated community hubs or facilities that provide core community and other council services. The hubs are focused on providing communities with opportunities for social and leisure activities, practical help and advice, and contributing to growing social capital.

### Nā te aha

#### Why we do it

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



## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
<b>Libraries</b>						
Percentage of residents who have used a library during the last 12 months	≥ 72%	67%	70%	70%	58% <sup>1</sup>	✘
Residents' satisfaction with library services	≥ 96%	97%	99%	97%	96%	✔
Number of physical visits per year <sup>2</sup>	Over 1,000,000	1,295,893	1,303,639	1,054,923	1,056,180	✔
<b>Number of visits via the internet per year:</b>						
Libraries Online visits	500,000	476,122	453,170	413,085	428,655 <sup>3</sup>	✘
Sessions on Connect	110,000	167,926	146,038	102,888	81,758 <sup>4</sup>	✘
Library stock turnover	≥ national mean	4.6 (national mean 3.5)	4.4 (national mean 3.1)	4.0 (national mean 3.1)	3.7 (national mean 3.1)	✔
Library programmes and events delivered to participants	≥ 40,000 participants	50,107	62,868	42,982	45,668	✔
<b>Museums</b>						
Number of total museum visits per year	≥ 215,000 (Dowse and Petone Settlers)	229,219 Dowse: 215,990 Petone Settlers: 13,229	213,852 Dowse: 200,623 Petone Settlers: 13,431	207,903 Dowse: 198,944 Petone Settlers: 8,959	185,430 <sup>5</sup> Dowse: 173,048 Petone Settlers: 12,382	✘
Residents' satisfaction with:						
the Dowse Art Museum	≥ 87%	93%	95%	97%	98%	✔
the Petone Settlers Museum	≥ 89%	98%	97%	100%	99%	✔
<b>Public education programmes delivered that meet the needs and expectations of community and school groups:</b>						
Number of participants attending public education programmes	5,500 participants	8,104	10,481	9,836	9,552	✔
Participant satisfaction with public education programmes	≥ 90%	98%	97%	99%	98%	✔
<b>Aquatics and Recreation</b>						
Residents' satisfaction with pools	≥ 92%	98%	95%	88%	93%	✔
Number of swimming pool visits per year	900,000 <sup>6</sup>	New measure for 2018-19	957,325	601,373	759,973 <sup>7</sup>	✘
POOLSAFE accreditation for swimming pool operation <sup>8</sup>	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	✔
Cost per visit to Council of aquatic services provided	\$5.00	\$4.83	\$5.44	\$8.66	\$4.76	✔

Community Hubs, Relationships and Projects						
Residents' perceptions of Hutt City in terms of their sense of safety	≥ 79% overall <sup>9</sup>	84%	84%	86%	79%	✓
• in their local neighbourhood during day		95%	94%	96%	92%	
• in their local neighbourhood after dark		78%	77%	81%	73%	
• in the Lower Hutt city centre during day		96%	97%	97%	92%	
• in the Lower Hutt city centre after dark		68%	67%	68%	57%	
Community organisations' satisfaction with the availability and quality of our funding service	≥ 90%	96% (96 responses received)	97% (29 responses received)	UM	90% (61 responses received)	✓
Number of visits per year to Community Hubs:						
• Walter Nash Centre	≥ 750,000	867,000	848,834	517,236	650,331 <sup>10</sup>	✗
• Wainuiomata Community Hub	≥ 300,000	319,150	292,745	303,778	276,037 <sup>10</sup>	✗
• Koraunui Stokes Valley Community Hub	≥ 250,000	165,506 <sup>11</sup>	254,235	178,144	169,822 <sup>10</sup>	✗
<b>Satisfaction with Community Hubs:</b>						
• Walter Nash Centre facilities	≥ 90%	100%	98%	98%	98%	✓
• Wainuiomata Community Hub facilities	≥ 90%	New measure for 2018-19	95%	97%	100%	✓
• Koraunui Stokes Valley Community Hub facilities	≥ 90%	93%	93%	97%	96%	✓
Significant events held each year at Walter Nash Centre	≥ 3 events	8 significant events	10 significant events	10 significant events	5 significant events	✓
Satisfaction with Naenae Bowling Club	≥ 90%	New measure 2020-21	New measure 2020-21	New measure 2020-21	UM <sup>12</sup>	-

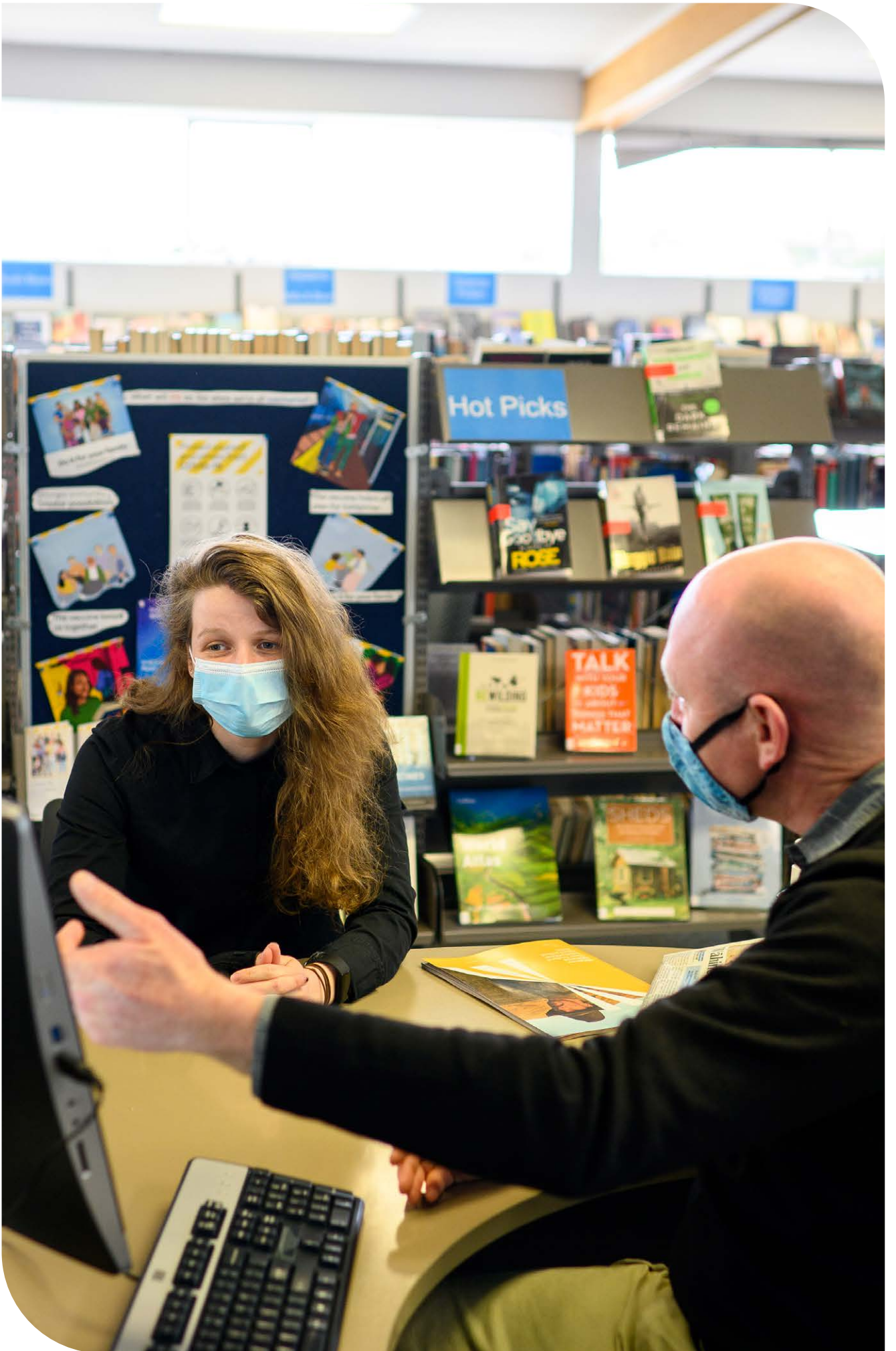
Notes:

- The COVID-19 alert level changes contributed to this figure, with library visitor numbers restricted during the weeks in which Wellington was at Alert Levels 2. Moera Library, as the smallest, remained closed during Level 2 due to the lack of capacity for social distancing.
- Physical visits to Stokes Valley Library not counted from 16 September 2016
- Online visits includes all visits to the libraries website and reservation system. It does not include use of digital resources. The number of computers available for accessing the reservation system were reduced during level 2 to ensure social distancing rules were maintained. Moera library was closed during Alert level 2. The number of online visits has declined alongside the percentage of residents who stated they visited a library in 2020/21 and the number of physical loans.
- During Alert Level 2 the number of computers able to be used was reduced to approximately half to ensure social distancing. Moera library remained closed during all Alert Level 2 periods. There has also been a higher volume of customers using their own devices on Wi-Fi rather than the PCs provided by the library.
- The COVID-19 alert level changes contributed to this figure, with museum visitor numbers and group events restricted during the weeks in which Wellington was at Alert Levels 2 and 3.
- The target does not take the closure of Naenae Pool into account. Naenae Pool was closed in April 2019.
- The COVID-19 alert level changes contributed to this figure, with pool visitor numbers and group events restricted during the weeks in which Wellington was at Alert Levels 2 and 3.
- Accreditation including quality standards for health, safety, water quality, supervision, pool building and operation, and signage etc.
- The overall percentage is calculated as an average of the four safety measures outlined in table; neighbourhood daytime, neighbourhood at night, city daytime, and city at night.
- The COVID-19 alert level changes contributed to this figure, with hub visitor numbers and group events restricted during the weeks in which Wellington was at Alert Levels 2 and 3.
- Koraunui Stokes Valley opened in late October 2017 so the number of visits reflects that the hub was open for 8 months only. 2018/19 was the first year of full operation
- This data was not collected. A relevant question was not added to the Residents Satisfaction Survey and no alternative data source was implemented.



**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

<b>Integrated community services – Statement of comprehensive revenue and expenses for the year ended 30 June:</b>						
	<b>2018–28 LTP (Year 2) 2020</b>	<b>Actual 2020</b>	<b>2018–28 LTP (Year 3) 2021</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Bud v Act Variance 2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	5,810	3,666	6,042	4,457	4,311	(146)
Operating subsidies and grants	120	74	123	108	208	100
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	(57)	-	-	(141)	(141)
Vested assets	-	-	-	-	-	-
Other revenue	1,609	2,171	1,645	2,144	1,886	(258)
<b>Total revenue</b>	<b>7,539</b>	<b>5,854</b>	<b>7,810</b>	<b>6,709</b>	<b>6,264</b>	<b>(445)</b>
<b>Expenditure</b>						
Employee costs	14,439	14,286	14,852	13,642	13,164	478
Operating costs	8,976	9,735	9,173	12,190	9,177	3,013
Support costs	4,350	4,995	4,439	5,788	5,788	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	736	2,095	967	1,451	1,277	174
Depreciation	4,436	5,228	4,253	5,221	5,360	(139)
<b>Total expenditure</b>	<b>32,937</b>	<b>36,339</b>	<b>33,684</b>	<b>38,292</b>	<b>34,766</b>	<b>3,526</b>
<b>Deficit before tax</b>	<b>(25,398)</b>	<b>(30,485)</b>	<b>(25,874)</b>	<b>(31,583)</b>	<b>(28,502)</b>	<b>3,081</b>
<b>Total capital expenditure</b>	<b>2,419</b>	<b>2,331</b>	<b>13,710</b>	<b>5,328</b>	<b>2,342</b>	<b>2,986</b>
<b>Rates funding requirement</b>						
Deficit before tax	(25,398)	(30,485)	(25,874)	(31,583)	(28,502)	3,081
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(25,398)</b>	<b>(30,485)</b>	<b>(25,874)</b>	<b>(31,583)</b>	<b>(28,502)</b>	<b>3,081</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(448)	(549)	(10,348)	(2,245)	(852)	1,393
Capital to replace existing assets	(1,971)	(1,782)	(3,362)	(3,083)	(1,490)	1,593
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	4,436	5,228	4,253	5,221	5,360	139
<b>Total loan funding requirement</b>	<b>2,017</b>	<b>2,897</b>	<b>(9,457)</b>	<b>(107)</b>	<b>3,018</b>	<b>3,125</b>
<b>Total funding requirement</b>	<b>(23,381)</b>	<b>(27,588)</b>	<b>(35,331)</b>	<b>(31,690)</b>	<b>(25,484)</b>	<b>6,206</b>



## Hinonga mahi Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Community Houses Funding	5	5	-
Marae Funding	200	171	29
Arts & Culture Funding	40	38	2
Scholarships	10	-	10
Events Funding	18	16	2
Hutt City Youth Council	10	2	8
Safety Initiatives	334	309	25
Social Development Projects	100	76	24
Regional Grants	33	33	-
Tamaiti Whangai Grant	20	20	-
Waiwhetu Marae Scholarship	5	4	1
Wellington Free Ambulance	100	100	-
North East Projects	10	0	10
Youth Partnership Fund	3	1	2
Sport Wellington Long-term Regional Strategy	15	15	-
New Arts Funding	63	58	5
Volunteer Hutt	5	5	-
Kakano Fund	70	51	19
Mauri Ora Fund	713	517	196
Community Resilience	300	30	270
Healthy Families - Action	90	15	75
Naenae Community Activities	100	92	8
Sportsville Wainuiomata	50	34	16
Emergency Relief Grant	75	20	55

### Ngā panonitanga mahi matua i Pūrongo ā-Tau Significant operating variations from Annual Plan

Revenue is under budget due to reduced user charges \$0.2M as a result of COVID-19 lockdowns experienced through the year affecting pools, swimcity, fitness suites, libraries and museums. There was also reduced other revenue from Central Government funding and sponsorship \$0.3M.

Expenditure is under budget due to lower employee costs because of staff vacancies at libraries and community hubs \$0.5M. Operating costs are also underspent due to delays in demolition work at the Naenae Pool \$1.7M which will be carried out in the 2021/22 financial year. There were also underspends in the Mauri Ora Fund, Community Resilience, and Emergency Relief Grant with these unspent amounts also carried over to be used in the 2021/22 financial year.

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			
Civic Events Centre Improvements	144	26	118
Community Halls Improvements	235	172	63
Community Hubs - Building Improvements	170	124	46
Community Panel Projects	457	(18)	475
Dowse New Artworks	45	41	4
Huia Pool Fitness Suite Equipment Replacement	150	4	146
Huia Pool Replace Roof Membranes	250	11	239
Libraries Buildings Improvements	38	-	38
Little Theatre Improvements	22	-	22
Naenae Town Centre Improvements	500	-	500
Naenae Pool Major Refurbishment	173	405	(232)
Nuku Tewhatewha Computer & Refurbishment	-	74	(74)
Pools Other Improvement Projects	-	26	(26)
Walter Nash Centre Equipment and Fitout	30	3	27
Vehicle Purchase	31	-	31
<b>Capital to replace existing assets</b>			
Civic Events Centre Renewal	45	3	42
Dowse Carpets and Soft Furnishings Gallery and Office	65	18	47
Community Hubs - Interior & Exterior Renewal	15	23	(8)
Community Hubs - Furniture & Equipment Replacements	5	-	5
Community Houses Building Renewal	40	34	6
CBD Community Resource Centre	40	-	40
CCTV Replacement	30	27	3
Dowse Building Repair and Repaint	114	5	109
Dowse Office Furniture and Equipment	15	-	15
Dowse Gallery Lighting	30	-	30
Dowse Building and Plant Renewal	81	-	81
Dowse Museum Renewals	115	64	51
Community Halls External and Internal Renewal	72	3	69
Huia Pool Coloursteel Roof Replacement	280	-	280
Furniture and Equipment Replacement Programme Libraries	41	30	11
Libraries Interior and Exterior Renewal	384	55	328
Replace Library Shelving	50	-	50



Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Libraries Stock Replacement	680	681	(1)
Other Pool Projects	410	523	(113)
Petone Settlers Museum Exhibition Furniture and Fittings	5	-	5
Petone Settlers Museum Building & Plant Renewal	27	-	27
Stokes Valley Hub Renewals	10	3	7
Stokes Valley Pool Roof Replacement	400	-	400
Walter Nash Centre Renewal	130	6	124

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau Significant capital variations from Annual Plan

Capital is under budget due to delays in Huia Pool projects \$0.7M, Dowse Museums projects \$0.3M and library building renewals of \$0.4M, mainly as a result of the availability of contractors and re-aligning work so projects can commence with minimal disruption to services. In addition, Naenae Town Centre improvements of \$0.5M was delayed to re-align with Naenae Pool and Spatial Plan projects. Stokes Valley Pool Roof Replacement work

\$0.4M was also delayed. Community Panels projects \$0.5M were delayed while awaiting decisions. All these are being carried over to be completed in the 2021/22 financial year.

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



# Papa rēhia me ngā whenua tāpui

## Parks and reserves

### Ka ahatia

#### What we do

We provide and maintain active and passive recreational facilities in Hutt City for public enjoyment and wellbeing, with access largely free of charge. Our recreation areas are both natural and developed. Most of our work is targeted at maintaining developed areas and retaining bush land in its natural state. 'Parks and Reserves' also includes council cemeteries.

### Nā te aha

#### Why we do it

In providing and maintaining parks, reserves, sportsgrounds, street gardens and street trees, we help to create a pleasant environment in which people can live, work and play. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

### Me pēhea te aromatawai i te kounga o hō mātou ratonga

#### How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with:						
sports grounds	≥ 95%	95%	95%	94%	96%	✓
parks, reserves and gardens	≥ 95%	94%	96%	97%	96%	✓
cemeteries	≥ 95%	95%	97%	95%	95%	✓
Sportsfields - scheduled sports games that take place	>90%	New measure 2018-19	95%	UM <sup>1</sup>	UM <sup>1</sup>	--
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months	≥ 85%	84%	85%	84%	78% <sup>2</sup>	✗

#### Notes:

1. A figure for this measure is not able to be calculated in a meaningful way. The intention of the measure was to track how many sports games failed to occur due to ground closures where the ground closure was due to a maintenance or upkeep issue where Council was responsible for the upkeep and/or maintenance. The proportion of sport games that take place was used as a proxy for this. However, a number of scheduled sports games are undertaken on grounds outside of Council control and can be cancelled for reasons other than the ground being closed.
2. Residents commented that the parks and sportsgrounds needed upgrading with more litter collection and play equipment. However, there were no reasons given that could be linked to why proportionally fewer residents visited parks, reserves or gardens in the last year.



## Tauākī whiwhinga, whakapaunga whānui

### Statement of comprehensive revenue and expenses

Parks & reserves – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	3,104	2,800	1,921	2,752	4,468	1,716
Operating subsidies and grants	6	4	6	5	69	64
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	1,889	-	-	32	32
Vested assets	-	-	-	-	116	116
Other revenue	-	-	-	-	3	3
<b>Total revenue</b>	<b>3,110</b>	<b>4,693</b>	<b>1,927</b>	<b>2,757</b>	<b>4,688</b>	<b>1,931</b>
<b>Expenditure</b>						
Employee costs	808	601	826	692	613	79
Operating costs	9,902	9,825	10,120	11,614	10,945	669
Support costs	690	710	715	921	921	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	919	693	818	711	626	85
Depreciation	1,939	2,337	1,904	2,653	2,218	435
<b>Total expenditure</b>	<b>14,258</b>	<b>14,166</b>	<b>14,383</b>	<b>16,591</b>	<b>15,323</b>	<b>1,268</b>
<b>Deficit before tax</b>	<b>(11,148)</b>	<b>(9,473)</b>	<b>(12,456)</b>	<b>(13,834)</b>	<b>(10,635)</b>	<b>3,199</b>
<b>Total capital expenditure</b>	<b>5,594</b>	<b>4,776</b>	<b>1,649</b>	<b>5,780</b>	<b>4,186</b>	<b>1,594</b>
<b>Rates funding requirement</b>						
Deficit before tax	(11,148)	(9,473)	(12,456)	(13,834)	(10,635)	3,199
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(11,148)</b>	<b>(9,473)</b>	<b>(12,456)</b>	<b>(13,834)</b>	<b>(10,635)</b>	<b>3,199</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(4,599)	(4,172)	(706)	(4,775)	(3,245)	1,530
Capital to replace existing assets	(995)	(604)	(943)	(1,005)	(941)	64
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	510	2,238	-	-	-	-
Less depreciation	1,939	2,337	1,904	2,653	2,218	(435)
<b>Total loan funding requirement</b>	<b>(3,145)</b>	<b>(201)</b>	<b>255</b>	<b>(3,127)</b>	<b>(1,968)</b>	<b>1,159</b>
<b>Total funding requirement</b>	<b>(14,293)</b>	<b>(9,674)</b>	<b>(12,201)</b>	<b>(16,961)</b>	<b>(12,602)</b>	<b>4,359</b>

## Hinonga mahi

### Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Hutt Valley Tennis – Mitchell Park	500	-	500
Biodiversity Assistance for Private Landowners	200	174	26

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is over budget mainly due to higher user charges related to additional reserves contributions as a result of a number of large subdivisions.

Expenditure is under budget due to a combination of savings through use of new contractor processes, timing of seasonal works and projects delayed. Some of the larger delayed projects are Hutt Valley Tennis – Mitchell Park \$0.5M as this project is currently going through a Reserves Act process, delay

to Biodiversity work \$0.2M to realign with the project's timeline, demolition of Fraser Park grandstand and former Avalon rugby clubrooms \$0.5M which will be completed in the 2021/22 financial year.

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





## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			
Parks & Gardens Protection Bollards	5	-	5
Bell Park Development	250	251	(1)
Days Bay Wharves Refurbishment	2,200	2,043	157
Fraser Park Reinstatement	250	250	-
Mountain Bike Park	50	56	(6)
Minoh Friendship House Improvements	60	-	60
Manor Park Cycle Trail	370	113	257
New Tracks & Track Upgrades	100	83	17
Valley Floor Review Implementation	420	28	392
Toilets Upgrade	140	7	133
Te Whiti Park Building Extension	900	385	515
Wainuiomata Welcome Sign	30	30	-
<b>Capital to replace existing assets</b>			
Korohiwa Bus Barn Renewals	60	-	60
Seats & Bins	60	61	(1)
Parks Hard Surfaces Renewals	250	203	47
Parks Signage & Interpretation	30	-	30
Playgrounds	355	361	(6)
Petone Wharf	-	9	(9)
Sportsground Buildings Renewals	220	269	(49)
Track Renewals	30	-	30
Wharves Renewals	-	38	(38)

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget mainly due to the delays in Te Whiti Park Building Extension \$0.5M and Valley Floor Review Implementation \$0.4M with the final construction phase of work expected to be completed in the 2021/22 financial year. There is also an underspend in

the Manor Park Cycle Trail project \$0.3M which has been held up due to delays in approvals from project partners.

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







# Whanake pokapū hapori

## Community facilities development

### Ka ahatia

#### What we do

Council has a Long Term Integrated Community Facilities Plan which provides a clear guide for council and community decision-making regarding the future development of community facilities. The Hutt City Community Facilities Trust (CFT) (a CCO established in August 2012) was disestablished on the 30 June 2021 following public consultation, a resolution by council and with the agreement of the trustees. On disestablishment, the assets (at fair value) and liabilities of the trust were transferred and amalgamated into council.

### Nā te aha

#### Why we do it

Having consulted with the community as part of its Long Term Plan process, council has no immediate plans to fund the establishment of any new community facilities in the near future and CFT has no ability to undertake these alone. As a consequence, both CFT and Council have concluded that there is no real need for the continuance of CFT and that its present role of landlord of the current facilities would be more effectively managed by council direct. CFT will therefore be wound up and all the facilities will transfer to council who has undertaken to continue to own and manage them for the ongoing benefit of the Hutt community. Council will also take over all other ongoing obligations of CFT to our existing tenants and importantly our very valued ongoing sponsors. Council will ensure that all the benefits enjoyed by our sponsors are continued.

### Me pēhea te aromatawai i te kounga o hō mātou ratonga

#### How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
User satisfaction with the Ricoh Sports Centre Facilities	≥ 90%	New measure 2020-21	New measure 2020-21	New measure 2020-21	UM <sup>1</sup>	--
Community Facilities Trust:						
Operating and capital expenditure	within budget	Achieved	Not achieved	Not achieved	Achieved	✓
Council accountability requirements met	100%	Achieved	Not achieved	Achieved	Achieved	✓

#### Notes:

1. This data was not collected. A relevant question was not added to the Residents' Satisfaction Survey and no alternative data source was implemented.

**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

<b>Community facilities development – Statement of comprehensive revenue and expenses for the year ended 30 June:</b>						
	<b>2018–28 LTP (Year 2) 2020</b>	<b>Actual 2020</b>	<b>2018–28 LTP (Year 3) 2021</b>	<b>Budget 2021</b>	<b>Actual 2021</b>	<b>Bud v Act Variance 2021</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	-	-	-	-	-	-
Operating subsidies and grants	-	193	-	-	-	-
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	-	-	-	59	-	(59)
<b>Total revenue</b>	<b>-</b>	<b>193</b>	<b>-</b>	<b>59</b>	<b>-</b>	<b>(59)</b>
<b>Expenditure</b>						
Employee costs	-	-	-	-	-	-
Operating costs	5,274	1,325	804	1,250	1,085	165
Support costs	-	-	-	-	-	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	872	504	847	552	486	66
Depreciation	91	-	367	-	-	-
<b>Total expenditure</b>	<b>6,237</b>	<b>1,829</b>	<b>2,018</b>	<b>1,802</b>	<b>1,571</b>	<b>231</b>
<b>Deficit before tax</b>	<b>(6,237)</b>	<b>(1,636)</b>	<b>(2,018)</b>	<b>(1,743)</b>	<b>(1,571)</b>	<b>172</b>
<b>Total capital expenditure</b>	<b>6,120</b>	<b>-</b>	<b>313</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rates funding requirement</b>						
Deficit before tax	(6,237)	(1,636)	(2,018)	(1,743)	(1,571)	172
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(6,237)</b>	<b>(1,636)</b>	<b>(2,018)</b>	<b>(1,743)</b>	<b>(1,571)</b>	<b>172</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(6,120)	-	(313)	-	-	-
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	91	-	367	-	-	-
<b>Total loan funding requirement</b>	<b>(6,029)</b>	<b>-</b>	<b>54</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funding requirement</b>	<b>(12,266)</b>	<b>(1,636)</b>	<b>(1,964)</b>	<b>(1,743)</b>	<b>(1,571)</b>	<b>172</b>



## Hinonga mahi

### Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
CFT Operating Grant	250	250	-
CFT Hutt Valley GymSports	500	200	300

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Expenditure is under budget due to the funding changes approved by Council on 30 June 2021, to reduce investment in Hutt Valley Gym Sports from the original budgeted grant of \$0.5M to a grant payment of \$0.2M which would go towards fit out of a new facility, with the demolition cost charged directly to the Parks and Reserves activity.

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

## Hinonga haupū rawa

### Capital projects

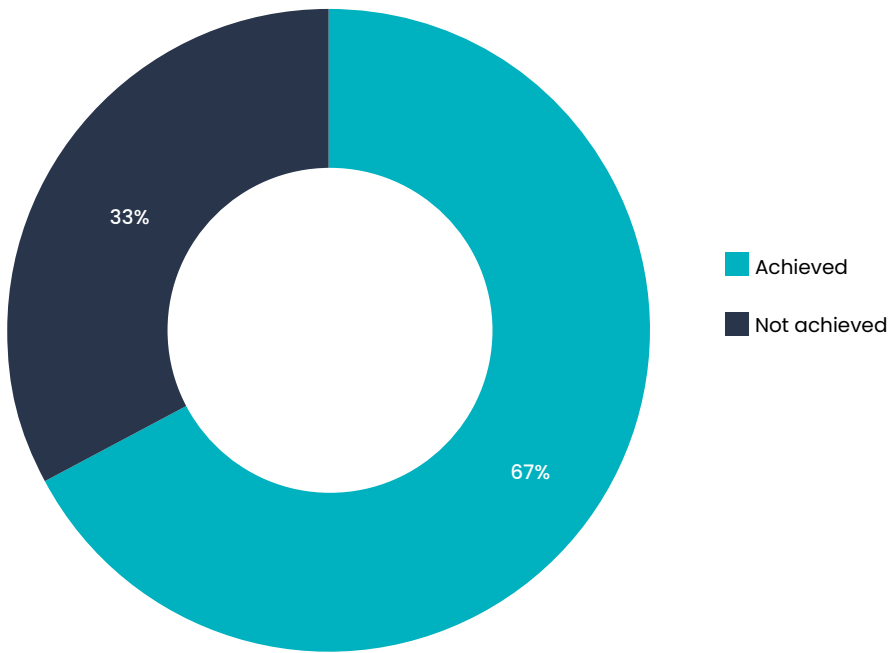
There were no capital projects budgeted or carried out during the year. On 30 June, Community Facilities Trust's operations and assets were absorbed into Hutt City Council.



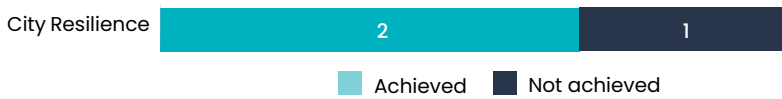
# Toitūtanga Sustainability

## Tātaritanga toitūtanga Sustainability performance

### Whakarāpopoto aronga tātaritanga Performance targets summary



### Aronga tātaritanga o ia wāhi mahi Key performance targets by activity area



# Manawaroa ā-tāone

## City resilience

### Ka ahatia

#### What we do

We take a lead role in supporting our city and its residents to be sustainable now and in the future. Climate change is presenting significant challenges for communities here and around the world. We have work underway to understand and respond to the particular challenges for our city. In December 2018, council agreed to set an organisational target for reducing its greenhouse gas emissions to net zero by no later than 2050. Council is working on reducing its greenhouse gas emissions at its facilities, carefully considering climate change objectives in its procurement and increasingly electrifying its vehicle fleet. We are also involved in regional initiatives, such as the Wellington Region Climate Change Forum and the Wellington Regional Natural Hazards Strategy.

This city resilience activity also includes our work with the Civil Defence and Emergency Management (CDEM) Group under the CDEM Act 2002. From 1 July 2012 all emergency management staff and resources have been pooled together with the expectation of improved effectiveness from increased scale and coordination, as well as efficiencies from the centralised provision of services such as training and public education.

### Nā te aha

#### Why we do it

We live in a beautiful natural environment but our environment is facing some challenges and needs to be valued. Our environmental sustainability strategy recognises that our dependence on the environment is fundamental to many aspects of our lives, and that proper care is essential if the city and our communities are to prosper.

This activity includes:

- implementing environmental policies and plans for Hutt City's sustainable development, including environmental education and promotion,
- delivering on the goals within our Environmental Sustainability Strategy, and Waste Management and Minimisation Plan 2017-23,
- running an annual waste minimisation programme to promote the concept of 'reduce, reuse, recycle' to businesses and residents
- educating people about the risks they face and how to prepare for emergency events,
- maintaining the Wellington Region CDEM Group's Emergency Operation Centres so they can be quickly activated to manage an emergency event,
- working with central government, emergency services, welfare groups, lifeline utilities and a wide range of interested and affected organisations on emergency management issues, and
- improving city resilience in light of sea level rise.

We manage our waste (through promoting recycling and waste reduction) to maintain our community's health and quality of life.

Our approach to emergency management is based on the principles of reduction of risk, readiness, response and recovery.



## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Percentage of households that are prepared for a civil defence emergency <sup>1</sup>	≥ 50%	27%	20%	25%	32%	✘
Time to activate Emergency Operations Centres (EOC)	Within one hour of any incident or notification of a likely threat	Achieved	Achieved	Achieved	Achieved	✔
Community Response Plans are developed, maintained, and agreed	Covering 90% of the geographical area	85%	83%	100%	100%	✔

### Notes:

- Supporting residents to be resilient and prepared for a civil defence emergency is a priority for Council. Past measures have not provided a realistic view on the percentage of households prepared for a civil defence emergency as the interpretation of 'prepared' was not defined. Our definition of 'prepared' is based on guidelines issued by Wellington Regional Emergency Management Office and our recent earthquake experience in November 2016. According to these guidelines, all households in the Wellington region should have enough food and water to last them at least seven days in the event of an emergency.





**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

City resilience – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	-	-	-	-	-	-
Operating subsidies and grants	-	-	-	53	-	(53)
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	419	557	428	415	450	35
<b>Total revenue</b>	<b>419</b>	<b>557</b>	<b>428</b>	<b>468</b>	<b>450</b>	<b>(18)</b>
<b>Expenditure</b>						
Employee costs	272	307	278	330	475	(145)
Operating costs	1,328	1,224	1,149	1,463	1,777	(314)
Support costs	150	153	154	352	352	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	1	5	1	6	5	1
Depreciation	3	6	2	33	5	28
<b>Total expenditure</b>	<b>1,754</b>	<b>1,695</b>	<b>1,584</b>	<b>2,184</b>	<b>2,615</b>	<b>(431)</b>
<b>Deficit before tax</b>	<b>(1,335)</b>	<b>(1,138)</b>	<b>(1,156)</b>	<b>(1,716)</b>	<b>(2,165)</b>	<b>(449)</b>
<b>Total capital expenditure</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>360</b>	<b>-</b>	<b>360</b>
<b>Rates funding requirement</b>						
Deficit before tax	(1,335)	(1,138)	(1,156)	(1,716)	(2,165)	(449)
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(1,335)</b>	<b>(1,138)</b>	<b>(1,156)</b>	<b>(1,716)</b>	<b>(2,165)</b>	<b>(449)</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	-	(145)	-	(250)	-	250
Capital to replace existing assets	-	-	-	(110)	-	110
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	3	6	2	33	5	(28)
<b>Total loan funding requirement</b>	<b>3</b>	<b>(139)</b>	<b>2</b>	<b>(327)</b>	<b>5</b>	<b>332</b>
<b>Total funding requirement</b>	<b>(1,332)</b>	<b>(1,277)</b>	<b>(1,154)</b>	<b>(2,043)</b>	<b>(2,159)</b>	<b>(116)</b>

## Hinonga mahi

### Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Waste Minimisation Projects	400	353	47
Environmental Sustainability Projects	171	153	18
Keep Hutt Beautiful	15	0	15
Climate Change community Engagements	250	307	(57)

## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is slightly under budget due to reduced operating subsidies received.

Expenditure is over budget, mainly due to costs related to the Refuse & Recycling System Change project and climate change community engagement.

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

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			-
105 Western Hutt Road ERT Facility	250	-	250
<b>Capital to replace existing assets</b>			-
Generators - Backup Power Supply	110	-	110

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget due to delays with improvements to the (ERT) Emergency Response Team facility in Western Hutt Road and purchase of Emergency Generators with this work now planned to be carried out in the 2021/22 financial year.

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

# Kāwanatanga, ruruku me te tōpūtanga

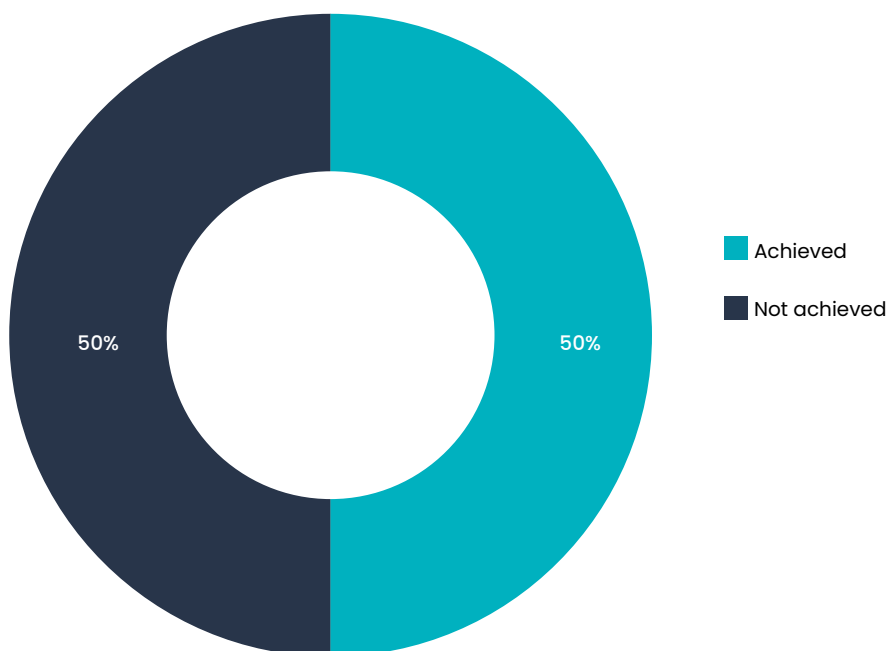
## Governance, engagement and organisation

### Tātaritanga kāwanatanga, ruruku me te tōpūtanga

Governance, engagement and organisation performance

#### Whakarāpopoto aronga tātaritanga

Performance targets summary



#### Aronga tātaritanga o ia wāhi mahi

Key performance targets by activity area



# Te mana whakahaere tāone

## City governance

### Ka ahatia

#### What we do

This activity comprises the processes that govern our city and support decision-making. It includes elected members (the mayor and councillors), strategic planning, policy development and monitoring and reporting. The elected members have an important role in the community.

They:

- provide a governance role for the city,
- set Council's strategic direction, including determining the activities we undertake (within legal parameters),
- monitor our performance on behalf of the city's residents and ratepayers, and
- Our governance structure included community panels (disestablished in October 2019) and includes community boards which provide local input into our decision-making.

### Nā te aha

#### Why we do it

The purpose of Council is to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental, and cultural well-being of Hutt City.

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





## Me pēhea te aromatawai i te kounga o hō mātou ratonga

How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Residents' satisfaction with the Mayor's and councillors' performance	≥ 78%	82%	80%	79%	77%	✘
Residents' satisfaction with the way we spend their rates	≥ 71%	75%	72%	74%	78%	✔
Residents' satisfaction with our public consultation	≥ 71%	72%	72%	70%	65% <sup>1</sup>	✘
Councillors are satisfied or more than satisfied with the formal advice they receive from officers	≥80%	90%	100%	89% <sup>2</sup>	100%	✔
Councillors are satisfied or more than satisfied with responses to requests for help from officers	≥80%	90%	100%	93% <sup>2</sup>	100%	✔
Community board and community panel members <sup>3</sup> are satisfied or more than satisfied with the formal advice they receive from officers	≥ 80%	85%	100%	88%	76%	✘
Community board and community panel members <sup>3</sup> are satisfied or more than satisfied with responses to requests for help from officers	≥ 80%	78%	100%	69%	71%	✘

Notes:

1. Residents did not leave comments when asked about their satisfaction in this area
2. In 2019-20 the survey was undertaken face to face rather than online as in previous years. The change in methodology needs to be taken into account when comparing the data to other years.
3. The community panels were disestablished in October 2019 and their role and function reviewed. They have since been re-established as Community Funding Panels.



## Tauākī whiwhinga, whakapaunga whānui

### Statement of comprehensive revenue and expenses

City governance – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	-	-	-	-	-	-
User charges	-	2	-	-	2	2
Operating subsidies and grants	-	-	-	-	-	-
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain on property sales/disposals	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-
Other revenue	204	235	-	-	-	-
<b>Total revenue</b>	<b>204</b>	<b>237</b>	<b>-</b>	<b>-</b>	<b>2</b>	<b>2</b>
<b>Expenditure</b>						
Employee costs	10	21	-	-	-	-
Operating costs	1,618	1,701	1,311	1,303	1,315	(12)
Support costs	3,376	3,383	3,462	3,822	3,822	-
Loss on property sales/disposals	-	-	-	-	-	-
Finance costs	-	-	-	-	-	-
Depreciation	-	-	-	-	-	-
<b>Total expenditure</b>	<b>5,004</b>	<b>5,105</b>	<b>4,773</b>	<b>5,125</b>	<b>5,137</b>	<b>(12)</b>
<b>Deficit before tax</b>	<b>(4,800)</b>	<b>(4,868)</b>	<b>(4,773)</b>	<b>(5,125)</b>	<b>(5,135)</b>	<b>(10)</b>
<b>Total capital expenditure</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Rates funding requirement</b>						
Deficit before tax	(4,800)	(4,868)	(4,773)	(5,125)	(5,135)	(10)
Add capital contributions	-	-	-	-	-	-
<b>Total rates funding requirement</b>	<b>(4,800)</b>	<b>(4,868)</b>	<b>(4,773)</b>	<b>(5,125)</b>	<b>(5,135)</b>	<b>(10)</b>
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	-	-	-	-	-	-
Capital to replace existing assets	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	-	-	-	-	-	-
<b>Total loan funding requirement</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total funding requirement</b>	<b>(4,800)</b>	<b>(4,868)</b>	<b>(4,773)</b>	<b>(5,125)</b>	<b>(5,135)</b>	<b>(10)</b>

## Hinonga mahi Operating projects

There were no operating projects separately budgeted for the year.

## Ngā panonitanga mahi matua i Pūrongo ā-Tau Significant operating variations from Annual Plan

There are no significant revenue variances. There are no significant expenditure variances.

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

## Hinonga haupū rawa Capital projects

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



# Te hautū tāone

## City leadership

### Ka ahatia What we do

City leadership incorporates the organisation-wide support functions that help us to provide our other activities efficiently to lead and deliver services for the community.

### Nā te aha Why we do it

The city leadership activity supports all our activities by providing business, legal and support services and tools.

### Me pēhea te aromatawai i te kounga o hō mātou ratonga How we measure the success of our services

Measure	Target 2020-21	Achieved 2017-18	Achieved 2018-19	Achieved 2019-20	Achieved 2020-21	Year End 2020-21 vs Target
Budget management	All activities are expected to operate within net capital and operating budgets	Operating: \$4.9 million unfavourable variance Capital: \$22.1 million underspend variance	Operating: \$4.3 million unfavourable variance Capital: \$28.4 million underspend variance	Operating: \$1.9 million favourable variance Capital: \$29.2 million underspend variance	Operating: \$49.9 million favourable variance <sup>1</sup> Capital: \$15.6 million underspend variance <sup>2</sup>	✓  ✓
Customer satisfaction – satisfaction with the overall performance of Hutt City Council	> previous year result	89%	86%	87%	84% <sup>3</sup>	✗
Project completion – the percentage of completed projects	≥ 80%	82%	50%	52%	51% <sup>4</sup>	✗
Work-related accidents resulting in medically approved time off work	≤4 (no more than 4 employee injuries)	Four	Four	One	One	✓

#### Notes:

1. The main reason for the favourable operating variance were increased user charges, other revenue, and capital subsidies received and the receipt of the three waters stimulus funding from the Department of Internal Affairs partly offset by higher employee and operating costs.
2. The main reason for the capital underspend was the difficulty obtaining materials and the unavailability of contractors leading to delays.
3. Residents did not leave comments when asked about their satisfaction in this area
4. The main reason project completion did not meet target was the difficulty obtaining materials and the unavailability of contractors leading to delays. Many of the incomplete projects have been carried over and are due to be completed in the 2021/22 financial year or later.



**Tauākī whiwhinga, whakapaunga whānui**  
Statement of comprehensive revenue and expenses

City leadership – Statement of comprehensive revenue and expenses for the year ended 30 June:						
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Revenue</b>						
Rates income	108,067	108,423	110,768	113,254	114,004	750
User charges	963	1,092	984	1,081	1,046	(35)
Operating subsidies and grants	-	-	-	-	-	-
Upper Hutt City Council operating subsidy	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-
Development contributions	-	-	-	-	-	-
Finance income	982	1,006	995	796	984	188
Dividends	-	406	-	6	4	(2)
Gain on revaluation of financial instruments	-	(67)	-	-	13,698	13,698
Gain on property sales/disposals	-	-	-	-	117	117
Vested assets	-	-	-	-	-	-
Other revenue	211	404	215	363	360	(3)
<b>Total revenue</b>	<b>110,223</b>	<b>111,264</b>	<b>112,962</b>	<b>115,500</b>	<b>130,213</b>	<b>14,713</b>
<b>Expenditure</b>						
Employee costs	9,686	10,890	9,899	11,423	13,937	(2,514)
Operating costs	2,514	6,000	2,768	6,059	7,219	(1,160)
Support costs	(16,625)	(17,519)	(17,079)	(20,953)	(20,953)	-
Loss on prop sales/disposals	-	-	-	-	-	-
Finance costs	1,107	807	1,110	1,586	1,596	(10)
Depreciation	1,709	1,639	1,638	1,391	1,261	130
Loss on revaluation of financial instruments	-	10,147	-	-	-	-
Total expenditure	(1,609)	11,964	(1,664)	(494)	3,060	(3,554)
<b>Surplus before tax</b>	<b>111,832</b>	<b>99,300</b>	<b>114,626</b>	<b>115,994</b>	<b>127,153</b>	<b>11,159</b>
<b>Gain(loss) on property revaluation</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total capital expenditure</b>	<b>1,505</b>	<b>1,658</b>	<b>1,501</b>	<b>6,505</b>	<b>2,129</b>	<b>4,376</b>
<b>Rates funding requirement</b>						
Surplus before tax	111,832	99,300	114,626	115,994	127,153	11,159
Add capital contributions	-	-	-	-	-	-
Rate funded debt repayment	10,289	26,718	5,733	21,856	(4,972)	(26,828)
<b>Total rates funding requirement</b>	<b>122,121</b>	<b>126,018</b>	<b>120,359</b>	<b>137,850</b>	<b>122,181</b>	<b>(15,669)</b>

## City leadership – Statement of comprehensive revenue and expenses for the year ended 30 June:

	2018-28 LTP (Year 2) 2020	Actual 2020	2018-28 LTP (Year 3) 2021	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Loan funding requirement</b>						
Capital to meet additional demand	-	-	-	-	-	-
Capital to improve level of service	(638)	(776)	(631)	(4,872)	(1,802)	3,070
Capital to replace existing assets	(867)	(882)	(870)	(1,633)	(327)	1,306
Less capital contributions	-	-	-	-	-	-
Less UHCC capital contributions	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-
Less depreciation	1,709	1,639	1,638	1,391	1,261	(130)
Less rate funded debt repayment	(10,289)	(26,718)	(5,733)	(21,856)	4,972	26,828
<b>Total loan funding requirement</b>	<b>(10,085)</b>	<b>(26,737)</b>	<b>(5,596)</b>	<b>(26,970)</b>	<b>4,104</b>	<b>31,074</b>
<b>Total funding requirement</b>	<b>112,036</b>	<b>99,281</b>	<b>114,763</b>	<b>110,880</b>	<b>126,285</b>	<b>15,405</b>

## Hinonga mahi Operating projects

Operating projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
Quality Of Life Study	25	18	7
Community Engagement Research	150	35	115
Research – Monitoring & Evaluation Of Outcome	50	62	(12)
Homelessness Strategy	520	527	(7)



## Ngā panonitanga mahi matua i Pūrongo ā-Tau

### Significant operating variations from Annual Plan

Revenue is over budget due to increased rates income \$0.8M related to higher growth than expected, interest earned on investments \$0.2M and gains on revaluation of financial instruments \$14M.

Expenditure is over budget mainly due to a provision of \$2.0M under employee costs as an initial recognition to meet the costs of historical

Holidays Act Compliance matters identified during the year and a provision for costs of the associated work to resolve the compliance matters \$0.5M.

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

## Hinonga haupū rawa

### Capital projects

Capital projects			
	Budget 2021	Actual 2021	Bud v Act Variance 2021
	\$000	\$000	\$000
<b>Capital to improve level of service</b>			
Other (IT) Projects	3,003	691	2,312
System Upgrades	140	686	(546)
Internet Online Services	400	-	400
Facilities Seismic Strengthening	1,250	130	1,120
Vehicle Purchase	79	295	(216)
<b>Capital to replace existing assets</b>			
Civic Administration Building Renewal	-	8	(8)
Network storage/Server Hardware and PC Replacement Programme	1,618	309	1,308
Pavilion Renewal	15	10	5

## Ngā panonitanga haupū rawa matua i Pūrongo ā-Tau

### Significant capital variations from Annual Plan

Capital is under budget due to delays with the Facilities Seismic Strengthening project \$1.1M as building closures need to be coordinated with other building works to reduce disruption, as well as delays in securing the resources to deliver a number of IT projects under the Go Digital programme \$3.0M. These are expected to be completed in the 2021/22 and later financial years.

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



# Ngā ringaringa me ngā waewae o te kaunihera

## Council Controlled Organisations and Associates

### Seaview Marina Limited

#### **Korahi o te whakatinana o ngā kaupapa here me ngā whāinga o Te Kaunihera i te mana whakahaere**

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

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

#### **Korahi mahi**

Nature and scope of its activities

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





## Tūtohu Kauneke Matua

### Key performance targets

Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Council Controlled Organisations and Associates</b>						
<b>Seaview Marina Limited (SML)</b>						
<b>Financial</b>						
Deliver annual budgeted revenues for each of the four business entities:						
Boat storage	100%	90.5%	✘	100%	94%	
Hardstand	100%	121%	✔	100%	102%	
Marine Centre	100%	107%	✔	100%	101%	
Launching ramp	100%	162%	✔	100%	135%	
Control operational expenses <sup>1</sup>	≤ 100% (\$2,331,152)	Achieved (\$2,249,290)	✔	≤ 100% (\$2,305,360)	Achieved (\$2,271,349)	
Achieve prescribed return on equity <sup>2</sup>	≥ 4.6%	4.6%	✔	≥ 4%	4.5%	
Manage capital expenditure <sup>3</sup>	Complete within budget and on time	Achieved	✔	Complete within budget and on time	Not achieved	
<b>Relationship and communication</b>						
Client service <sup>4</sup>	88% satisfaction in the bi-annual survey	Not measured in 2020/21	✔	85% satisfaction	Achieved	
Newsletter communications	Complete 4 newsletters in 2020/21	Achieved	✔	Complete 4 newsletters in 2019/20	Achieved	
Meet all shareholder reporting deadlines	Reporting Deadlines for 2020/21	Achieved	✔	Reporting Deadlines for 2019/20	Achieved	
<b>Risk management</b>						
Notifiable health and safety incidents	Nil incidents	Not Achieved	✘	Nil incidents	Achieved	A staff member had his thumb crushed using the forklift. Miscommunication between him and his co-worker resulted in a load being lowered before the staff member had his hand clear. This incident was reported to WorkSafe but they did not take any further action.
Business continuity plan	Run test scenario and review	Achieved	✔	Run test scenario and review	Achieved	An exercise based around not having access to the office for a full day was completed and issues related to this documented and actions taken to remedy them.
Staff satisfaction	Achieve 85% staff satisfaction	Achieved 88%	✔	Achieve 85% staff satisfaction	Achieved	

Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Marketing</b>						
Implement marketing strategy to improve occupancy rates	Berth occupancy to 85%	Achieved Average occupancy 98%	✓	N/A	N/A	Measure re-instated 2020/21 financial year
Media and public relations	20 enquiries per month from website	Achieved National and local media releases provided SML with major coverage	✓	10 enquiries per month from website	Achieved	

Notes:

- Operational expenses are defined as all expenses controllable by Seaview Management. Excludes losses arising from the revaluation of similar assets within an asset class
- Return On Equity (ROE) is calculated as the net surplus / (deficit) excluding losses of gains arising from the revaluation of similar assets within an asset class divided by the opening balance of equity at the start of the year.
- Capital expenditure excludes carry forward of expenses on projects from previous years.
- The 2020/21 Statement of Intent performance measure for client service was to achieve 88% or better in the biennial survey. This measure was subsequently changed during 2020/21. Because of the small turnover of berths and the low rates of entry/exit surveys it was decided to use website satisfaction responses during the year. This provided a much larger sample size.

## Urban Plus Limited

### Korahi o te whakatinana o ngā kaupapa here me ngā whāinga o Te Kaunihera i te mana whakahaere

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

Council's objective for this company is for it to own and operate a portfolio of rental housing, develop property in preparation for sale or lease and manage council property and building assets.

### Korahi mahi

#### Nature and scope of its activities

Activities include property development, rental property management, facilities management of council property, provision of strategic property advice to council and the purchase of surplus property from council.

The Urban Plus Group comprises Urban Plus Limited (UPL), Developments Limited and UPL Limited Partnership.



## Tūtohu Kauneke Matua

### Key performance targets

Measures	2021 Target	2021 Actual	2021 YE vs target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Council Controlled Organisations and Associates</b>						
<b>Urban Plus</b>						
<b>Rental Housing</b>						
Capital expenditure within budget	≤ \$264,956	\$170,103	✓	≤ \$180,000	\$30,151	
Operational expenditure within budget <sup>1</sup>	≤ \$1,418,143	\$1,448,736	✗	≤ \$1,024,407	\$1,177,926	
Net surplus before depreciation and after finance expenses as a proportion of the net book value of residential land and buildings at the start of the year <sup>2</sup>	≥ 3.5%	2.1%	✗	≥ 3.5%	3.1%	
Tenant satisfaction with the provision of the company's rental housing <sup>3</sup>	≥ 90%	100%	✓	≥ 90%	95%	
Percentage of total housing units occupied by low-income elderly (percentage who identified NZ National Superannuation as their primary source of income)	≥ 85%	74%	✗	≥ 85%	76%	The existing tenants at the recently acquired 17 Britannia St have lowered this percentage
Rentals charged	≥ 80% of 'market' rent	71%	✗	≥ 85% of 'market' rent	76%	Weekly increases of \$60-\$80 per week were required to meet the 80% target, after discussion with the board, only a minimal increase was seen as appropriate
Increasing the portfolio size	220 units by December 2023	189	✗	220 units by 30 June 2020	189	Number of units remains at 189, however the 220 target is expected to be achieved by December 2023
By 30 June 2020, assess the performance of the rental housing portfolio against the HomeFit® standard.	Assess the performance of the rental housing portfolio against the HomeFit® standard	Achieved	✓	Assess the performance of the rental housing portfolio against the HomeFit® standard	Not achieved	

Measures	2021 Target	2021 Actual	2021 YE vs target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
Any rental housing units purchased and not already utilising electricity or renewable sources of energy for space heating, water heating, and cooking facilities, shall be converted to utilise only electricity or renewable sources of energy within five years of acquisition.	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	Not applicable		Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	Not applicable	No acquisitions were made during 2020/21. No units in the existing portfolio utilise non-renewable energy sources.
New rental housing units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	Not applicable		All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	Not applicable	No units were constructed during 2020/21
<b>Property Development</b>						
Capital expenditure within budget	≤ \$0	\$2,381,155	✘	≤ \$3,123,921	\$525,243	This is largely caused by the Molesworth development project having not yet transferred to UPL LP
Operational expenditure within budget <sup>4</sup>	≤ \$1,325,861	\$1,184,729	✔	≤ \$1,410,447	\$1,410,049	
From 1 July 2019, any new developments not already resource consented as at 30 June 2019, shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Achieved		All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Not Achieved	No units were consented during 2020/21

Notes:

1. Operating expenditure before depreciation and tax expense
2. Calculated as net surplus plus depreciation, over the opening value of residential land and buildings.
3. This measure is from a survey of tenants who on a 5 point rating scale, with 3 being 'neutral', rated their satisfaction as neutral or better. There was a response rate of 33% from the 184 surveys sent.
4. Operating expenditure before depreciation and tax expense



Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
By the year ending 30 June 2020, at least one housing unit (standalone house or townhouse) shall achieve a certified HomeStar™ rating of at least six stars.*	One or more units to achieve a HomeStar™ rating of at least six stars	Not Achieved	✘	One or more units to achieve a HomeStar™ rating of at least six stars	Not applicable	A HomeStar™ design rating of six stars was achieved for the Molesworth Street project, but was not received until after 30 June 2021. **
A return of not less than 20% on Development Costs including Contingency on each commercial development project.	≥ 20%	Not applicable		New measure in 2020/21		No commercial development projects were completed during 2020/21
A return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable'.	≥ 15%	Not applicable		New measure in 2020/21		No 'Affordable' housing development projects were completed during 2020/21
Value of divestment to Community Housing Provider (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 10%,	≥ 10%	Not applicable		New measure in 2020/21		No divestments to Community Housing Providers were made during 2020/21
Long-term public rental accommodation returns at no less than (or equal to) 3.5% after depreciation.	≥ 3.5%	Not applicable		New measure in 2020/21		No long-term public rental accommodation was completed during 2020/21
<b>Professional Property Advice</b>						
Return on additional services provided to the shareholder	Achieve a market return on additional services provided to the shareholder	Not applicable		Achieve a market return on additional services provided to the shareholder	Not applicable	Additional services were not charged to the shareholder during 2020/21

Notes:

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

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

Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>UPL Developments Limited</b>						
<b>Act as General Partner to UPLLP and provide management services</b>						
Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required.	Achieved Central Park & The Lane: Continued management of executed contracts during 2020/21  132A Molesworth St & 17 Britannia St:  Contracts for civil engineering and surveying were secured, managed and executed during 2020/21  Contracts for other suppliers are being negotiated and executed as and when required	Achieved	✓	Achieved Central Park & The Lane: Contracts negotiated and executed in 2018/19, continued to be managed during 2019/20  132A Molesworth St & 17 Britannia St:  Contracts for civil engineering and surveying were negotiated in 2019/20  Contracts for other suppliers are being negotiated and executed as and when required		
Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved Central Park & The Lane: The contracts for Blocks A-G & I were completed in 2020/21	Achieved	✓	Achieved Central Park & The Lane: The contracts for civil works negotiated in 2018/19 were completed in 2019/20		
Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved Facilitated the payment of contract progress claims for Central Park and The Lane developments, as well as payments to other suppliers engaged to provide services or goods on these property development projects.	Achieved	✓	Achieved Facilitated the payment of contract progress claims for Parkview, Central Park and The Lane developments, as well as payments to other suppliers engaged to provide services or goods on these property development projects		
Should UPL DL be used for future developments, the same performance measures apply as for Property Development	Not applicable UPL DL was not used for development projects in 2020/21	Not applicable		Not applicable UPL DL was not used for development projects in 2019/20		
Act as general partner when a Limited Partnership structure is utilised for development projects	Achieved	Achieved	✓	Achieved		

Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>UPL Limited Partnership</b>						
Land development	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved	✓	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved	
Business undertakings	Perform business undertakings in common with Urban Plus Limited with a view to profit from development projects for the purposes of funding elderly housing portfolio	Achieved	✓	Perform business undertakings in common with Urban Plus Limited with a view to profit from development projects for the purposes of funding for the elderly housing portfolio	Achieved	
Capital expenditure within budget <sup>5</sup>	≤ \$24,632,654	Achieved \$14,496,859	✓	≤ \$21,584,853	Achieved \$19,039,739	
Operational expenditure within budget <sup>6</sup>	≤ \$505,924	Achieved \$239,389	✓	≤ \$616,717	Achieved \$356,794	
From 1 July 2019, any new developments not already resource consented as at 30 June 2019, shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Achieved	✓	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Achieved	All developments consented after 30 June 2019 have only utilised electricity and renewable energy sources for space heating, water heating and cooking facilities
By 30 June at least one housing unit (standalone house or townhouse) shall achieve a certified HomeStar™ rating of at least six stars.	One or more units to achieve a HomeStar™ rating of at least six stars	Not Achieved	✗	One or more units to achieve a HomeStar™ rating of at least six stars	Not achieved	A HomeStar™ design rating of six stars was achieved for the Molesworth Street project, but was not received until after 30 June 2021. *
Return on Development Costs including Contingency on each commercial development project	≥ 20%	Not applicable		New measure 2020/21		No commercial development projects were completed during the year to 30 June 2021

Notes:

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

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

Measures	2021 Target	2021 Actual	2021 YE vs target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
Return on Development Costs including Contingency on housing released to market as 'Affordable'.	≥ 15%	Not applicable		New measure 2020/21		No housing was released to the market as 'Affordable' during the year to 30 June 2021
Value of divestment to Community Housing Provider (or socially-likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 10%	≥ 10%	Not applicable		New measure 2020/21		No divestments to Community Housing Providers were made during the year to 30 June 2021
Long-term public rental accommodation returns at no less than (or equal to) 3.5% after depreciation <sup>7</sup>	≥ 3.5%	Not applicable		New measure 2020/21		No long-term rental accommodation was developed during the year to 30 June 2021

Notes:

5. Operating expenditure before depreciation and tax expense
6. Calculated as net surplus plus depreciation, over the opening value of residential land and buildings
7. Returns are specific to each project's (Board Approved) business case where long-term market rentals are developed. Future rents are set per independent annual review





# Hutt City Community Facilities Trust

## Korahi o te whakatinana o ngā kaupapa here me ngā whāinga o Te Kaunihera i te mana whakahaere

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

Council established the Community Facilities Trust (CFT) in 2012 with the intention of increasing community involvement in the provision of sporting and other community facilities. As a charitable trust, it was able to facilitate external fundraising for planned infrastructure projects, and Trustees were all members of the local community.

Walter Nash Centre and Koraunui Stokes Valley Community Hub were both leased back to Council, while the other facilities are leased to community tenants. Total assets owned by the Trust as at 30 June 2020 amounted to \$41M.

The Trust and council have made the decision for the Trust to be wound up on 30 June 2021 and for council to take over responsibility and ownership of the facilities owned by the Trust. All venues will continue to operate as they currently are into the future under the change in ownership.





## Korahi mahi

### Nature and scope of its activities

Since its inception, the Trust has successfully developed four community hubs – Walter Nash Centre, Koraunui Stokes Valley Community Hub, Naenae Bowling Club and RICOH Sports Centre (home of Fraser Park Sportsville), which are all well used and highly valued in their communities. With the exception of the replacement of Naenae Pool, Council isn't planning any further significant investment in community facilities in the near future, and so we worked with the Trust to consider its future role.

While the main function of the Trust is no longer required, it could continue to operate as landlord. However, this brings with it significant cost for corporate support and some duplication of effort with Council and compliance costs. Council and the Trustees agreed the most efficient way to operate the facilities in the future is to transfer them to the Council to operate and maintain for the benefit of the community. The decision to wind up the Trust was made following consultation as part of the draft 10-year plan.





## Tūtohu Kauneke Matua

### Key performance targets

Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020–21
<b>Council Controlled Organisations and Associates</b>						
<b>Hutt City Community Facilities Trust</b>						
<b>Operational Management</b>						
Operational expenditure is within budget	100%	Achieved	✓	100%	Not achieved	Not achieved largely due to repayment of funding relating to the Naenae Hub development (on hold) in 2018/19, which was no longer required
All reporting requirements set by Council and the Board of CFT are met in accordance with the Local Government Act 2002, the CFT Statement of Intent and the CFT Deed of Trust	Annual Report by 30/9/2021	Achieved	✓	Annual Report by 30/9/2021	Achieved	Parliament extended the statutory deadline to 30 November for both the 2020 and 2021 financial years due to the impact of COVID-19 on the audit process.
	Draft SOI by 1/3/2021	Achieved	✓	Draft SOI by 1/3/2020	Achieved	
	Final SOI by 30/6/2021	Achieved	✓	Final SOI by 30/6/2021	Achieved	
	Half Yearly Report by 1/3/2021	Achieved	✓	Half Yearly Report by 1/3/2021	Not achieved	
<b>Facilities Management</b>						
All facilities maintain legal compliance, WOFs and/or certification	100% building safety upheld	Achieved	✓	100% building safety upheld	Not achieved	
All facilities have in place an agreement to lease within three months of completion – legal partnerships covering leases and maintenance are agreed with the principal tenants	100%	Achieved	✓	100%	Achieved	
All facilities have detailed maintenance plans in place within 12 months of completion	100%	Achieved	✓	100%	Achieved	

Measures	2021 Target	2021 Actual	2021 YE vs target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Environmental</b>						
Consider how the board can effectively support the Council's environmental objectives. In particular give consideration to potential impacts of climate change and 'carbon zero' initiatives, and what contribution the Trust can make to this	Potential impact assessment and action plan report completed by 30 June	Not achieved - due to the disestablishment of CFT	✘		New measure introduced 2020-21 financial year	
<b>Health and Safety</b>						
Enhanced reporting to the Board to ensure best possible health and safety practices and culture are in all CFT facilities	Monitoring is in place and reporting to the Board by 30 June 2021	Not achieved - due to the disestablishment of CFT	✘		New measure introduced 2020-21 financial year	
All CFT construction projects have Health and Safety plans and monitory in place by 30 June 2021	100% compliance	N/A				There were no construction projects led by CFT for the 2020/21 financial year.



# Ngā Wai Hangarua

## Wellington Water Limited

### **Korahi o te whakatinana o ngā kaupapa here me ngā whāinga o Te Kaunihera i te mana whakahaere**

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

Council's objective for this company is for it to manage the provision of water services to Hutt City and other shareholding councils.



### **Korahi mahi**

#### **Nature and scope of its activities**

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

Note: key performance measures are also reported in the relevant activity sections of this Annual Report (Water Supply, Wastewater and Stormwater). The performance results that follow are key metrics extracted from the Wellington Water Limited 2020-21 Annual Report.

### **Ngā Pūnaha tātaritanga o Ngā Wai Hangarua**

#### **Wellington Water performance measurement systems**

The following notes relate to performance measures outlined on pages 122-124.

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.

An extract from the WWL 2020-21 Annual Report relating to work done, and work that continues to be done, to improve the measures impacted is detailed below.

We received a qualified opinion in December 2020 for the 2019–20 audit relating to four non-financial performance measures. Since January we have been working to review and implement improvements that are within our control:

1. Fault resolution times: Unable to obtain assurance over the reliability of the data as the attendance and resolution times were not recorded when they occurred
  - Completeness and reliability of data are much more assured with the full implementation of Maximo since July 2020 as the primary data collection and information management tool. A small residual percentage of data (6%) was collected through a legacy system. This data is unlikely to materially impact results.
  - Further assurance is provided by matching vehicle location data and jobsites through the E-Roads system.
  - An internal system control has been implemented to quality check the data collection process. A weekly sample is checked by supervisors to ensure accuracy and completeness of data.
  - An external review of the efficacy of the manual system control resulted in further enhancements to the quality assurance process. The benefits will take time to embed and show through into results.
  - An internal audit programme has been instigated to regularly review the quality assurance process.
  - This is now being accurately reported on and therefore no longer qualified from 2020–21.
2. Dry-weather wastewater overflow: unable to accurately report the number of dry weather sewerage overflows. The system used for recording events included blockages in the wastewater network that did not necessarily result in an overflow
  - A new methodology has been implemented to comply with the DIA rules for reporting this measure. The new method incorporates GWRC data. The full year results have been re-run and manually reviewed resulting in twelve months of reliable data being available for audit.
3. Customer complaints: was unable to accurately report the number of complaints for each of the three water services. Complete records of all complaints were not available, and the after-hour complaints system used also did not classify complaints between wastewater, water supply and stormwater.
  - We have participated in a DIA (Department of Internal Affairs) led review to update the reporting rules for all DIA mandated measures. The definitions and intention of the measures have been clarified while allowing for varying levels of maturity among council reporting systems. As a result, some measures will in the future be able to be reported as a range rather than absolute values. We await the release of the new guidance notes by DIA
4. Maintenance of the reticulation network (water supply loss): there is a limited number of water meters across the reticulation network. The water loss percentage was reported at a regional level for the majority of the shareholding councils. The reliability of this regional water loss percentage was also affected by the limited number of water meters.
  - Actual results, rather than a regional average, have been reported by council as requested by Audit NZ. The limited number of water meters across the reticulation network significantly impacts the reliability of these results.
  - In order to comply with the DIA rules for reporting this measure, a new method to more accurately calculate water loss is in development. Information is being collected from an increased distribution of small area monitors which capture realtime data. The small area meters installed in November 2020 requires 12 months data to improve confidence. By March 2022 we expect to have sufficient data to report reliable results at an individual council level.

## Tūtohu Kauneke Matua

### Key performance targets

Measures	2021 Target	2021 Actual	2021 YE vs target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Council Controlled Organisations and Associates</b>						
<b>Wellington Water Limited</b>						
<b>Water Supply</b>						
To measure the quality of water supplied to residents and the services that ensure security of supply						
Compliance with Drinking Water Standards for NZ 2005 (revised 2008) – Part 4 bacterial compliance criteria, and Part 5 protozoal compliance criteria	Full compliance	Achieved	✓	Full compliance	Achieved	
Number of complaints about drinking water per 1000 connections relating to:						
<ul style="list-style-type: none"> <li>• Drinking water clarity</li> <li>• Drinking water taste</li> <li>• Drinking water odour</li> <li>• Drinking water pressure or flow</li> <li>• Drinking water continuity of supply</li> </ul>	≤20	18	✓	≤20	13	
Median response time for:						
Attendance for urgent call outs	≤60 minutes	85 minutes		≤60 minutes	101 minutes	The teams across the region have experienced work volumes exceeding their capacity due to the aging network throughout the year that included responding to a number of major incidents. The shortage of skilled labour in the industry continues to compound this and our ability to resource adequately and meet the targets
Resolution for urgent call outs	≤4 hours	3 hours	✓	≤4 hours	8.2 hours	
Attendance for non-urgent call outs	≤36 hours	68 hours		≤36 hours	160 hours	The teams across the region have experienced work volumes exceeding their capacity due to the aging network throughout the year that included responding to a number of major incidents. The shortage of skilled labour in the industry continues to compound this and our ability to resource adequately and meet the targets
Resolution for non-urgent call outs	≤15 days	6 days	✓	≤15 days	11 days	
Percentage of real water loss from networked reticulation system	≤18%	15%	✓	≤18%	19%	This end of year result is reported as a mean water loss percentage for Hutt City Council with a 95% confidence interval of between 0% and 45%

Measures	2021 Target	2021 Actual	2021 YE vs Target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Wastewater</b>						
To measure the quality and timeliness of the wastewater service						
Number of wastewater reticulation incidents per km of reticulation pipeline (blockages)	<0.8	1.09		<0.8	0.92	The blockages in the wastewater network are mainly caused by the intrusion of tree roots into deteriorated pipes, and fats and sanitary products disposed by the public
Dry weather wastewater overflows/1000 connections	0	6.25		0	0.08	The dry weather sewerage overflows are primarily caused by deteriorated sewerage pipes and blockages from tree roots, fats, and sanitary products. WWL strives to minimise their risks to the environment and people with a prompt response and effective post-event clean ups. WWL also actively tracks the overflow records to aid the targeted maintenance regime and Capex renewals programme
Number of complaints about wastewater per 1000 connections relating to:						
<ul style="list-style-type: none"> <li>Wastewater odour</li> <li>Wastewater system faults</li> <li>Wastewater system blockages</li> </ul>	<30	20	✓	<30	19	
Median response time for wastewater overflows:						
Attendance time	≤60 minutes	73 minutes	✗	≤60 minutes	86 minutes	The teams across the region have experienced work volumes exceeding their capacity due to the aging network throughout the year that included responding to a number of major incidents. The shortage of skilled labour in the industry continues to compound this and our ability to resource adequately and meet the targets
Resolution time	≤6 hours	6.4 hours	✗	≤6 hours	3.8 hours	
Breaches of resource consents for discharges from wastewater system. Number of:						On 14th June 2021 GWRC issued an abatement notice to Veolia and Wellington Water due to release of offensive and objectionable odour beyond Seaview wastewater treatment plant's boundary. This notice covers the 16th and 18th March incidents wherein there were failures in the conveyors of the sludge dryer system causing the dried sludge pellets to be spilled outside the dryer building. The spilled dried sludge caused odour complaints from the nearby establishments which prompted the investigation from GWRC. Wellington Water and Veolia prepared a joint response explaining the causes of the incident and was submitted to GWRC. The issues in the dried sludge conveyors have already been resolved
<ul style="list-style-type: none"> <li>Abatement notices</li> <li>Infringement notices</li> <li>Enforcement orders</li> <li>Convictions</li> </ul>	0	2	✗	0	0	



Measures	2021 Target	2021 Actual	2021 YE vs target	2020 Target	2020 Actual	Variance Explanation and Notes 2020-21
<b>Stormwater</b>						
To measure the quality and timeliness of the stormwater service						
Number of pipeline blockages per km of pipeline	< 0.5	0.09	✓	< 0.5	0.24	
Number of complaints about stormwater system performance per 1000 connections	<30	7	✓	< 20	10	
Median response time to attend a flooding event	<60 minutes	n/a	--	< 60 min	1526 minutes	Not applicable as there were no flooding events in 2020-21
To measure the impact of stormwater on the environment						
Breaches of resource consents for discharges from wastewater system. Number of:						Wellington Water received a global abatement notice (stormwater) on 12 February 2021 that applies to the four metropolitan councils. This notice applies to discharges entering stormwater systems during repairs to potable water, stormwater and wastewater pipes. This has been noted and there was a recommendation in an infringement notice to PCC to improve sediment control available to our crews.
• Abatement notices	0	1		0	1	
• Infringement notices						
• Enforcement orders						
• Convictions						
Number of flooding events	0	0	✓	0	1	A large storm event with high intensity rain occurred in early December 2019.
Number of habitable floors per 1000 connected homes per flooding event	0	n/a	--	0	0.16	Not applicable as there were no flooding events in 2020-21
Percentage of days during the bathing season (1 November to 31 March) that the monitored beaches are suitable for recreational use	>90%	96%	✓	>90%	100%	
Percentage of monitored sites that have a rolling 12 month median value for E.coli (dry weather samples) that do not exceed 1000 cfu/100ml	>90%	60%	✗	>90%	88%	







# Hō mātou pūtea

## Our finances

# 3









# Pūrongo Kaitātari Kaute

## Independent Auditor's report

### To the readers of Hutt City Council's annual report for the year ended 30 June 2021

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

We are also required to report on:

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

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

We completed our work on 21 December 2021. This is the date on which we give our report.

### Opinion

#### Unmodified opinion on the audited information, excluding the activity statements

In our opinion:

- the financial statements on pages 132 to 205:
  - present fairly, in all material respects:
    - the City Council and Group's financial position as at 30 June 2021;
    - the results of the operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the funding impact statement on page 221, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- the statement about capital expenditure for each group of activities on pages 212 to 220, presents fairly, in all material respects, actual capital expenditure as compared to the budgeted capital expenditure included in the City Council's Long-term plan; and
- the funding impact statement for each group of activities on pages 212 to 220, presents fairly, in all material respects, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's Long-term plan.

#### Qualified opinion on the activity statements

In our opinion, except for the possible effects of the matters described in the "Basis for our qualified opinion" section of our report, the activity statements on pages 38 to 106:

- presents fairly, in all material respects, the levels of service for each group of activities for the year ended 30 June 2021, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved;
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand.

#### Report on the disclosure requirements

We report that the City Council has:

- complied with the requirements of Schedule 10 of the Act that apply to the annual report; and
- made the disclosures about performance against benchmarks as required by the Local Government (Financial Reporting and Prudence Regulations 2014) on pages 208 to 211, which represent a complete list of required disclosures and accurately reflects the information drawn from the City Council's audited information and, where applicable, the City Council's Long-term plan and annual plans.

## Basis for our 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 activity statements include 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, 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.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board. We describe our responsibilities under those standards further in the "Responsibilities of the auditor for the audited information" section of this report.

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

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

## Emphasis of matter – The Government's three waters reform programme announcement

Without further modifying our opinion, we draw attention to Note 31, page 203, which outlines that subsequent to year-end, 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.

## Responsibilities of the Council for the audited information

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

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

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

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

## Responsibilities of the auditor for the audited information

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

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

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

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

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

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City Council and Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We determine the appropriateness of the reported intended levels of service in the activity statements, as a reasonable basis for assessing the levels of service achieved and reported by the City Council.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Council and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast a significant doubt on the City Council and Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our audit report to the related disclosures in the audited information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our audit report. However, future events or conditions may cause the City Council and the Group to cease to continue as a going concern.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We obtain sufficient appropriate audit evidence regarding the entities or business activities within the Group to express an opinion on the consolidated audited information.

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

### Other information

The Council is responsible for the other information included in the annual report. The other information comprises the information included on pages 2 to 37, 107 to 119, 122 to 127, 131, 206 and 207 and 222 to 234, but does not include the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information.

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

### Independence

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

In addition to our audit of the audited information and our report on the disclosure requirements, we have audited the City Council's 2021-2031 Long-term plan and performed a limited assurance engagement related to the City Council's debenture trust deed. These engagements are compatible with those independence requirements.

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



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

AUDIT NEW ZEALAND

Mana Arotake Aotearoa

## Tauākī tūtohu

### Statement of compliance

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



Campbell Barry  
**Koromatua o Te Awa Kairangi ki Tai**  
Mayor of Lower Hutt  
21 December 2021



Jo Miller  
**Tumu Whakarae**  
Chief Executive  
21 December 2021





# Tauākī pūtea

## Financial statements

Statement of comprehensive revenue and expenses for the year ended 30 June 2021						
	Notes	Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<b>Revenue</b>						
Rates	3.	114,004	113,254	108,423	113,625	108,004
Fees, charges and metered water supply	4.	47,803	39,961	39,670	53,153	44,593
Development and financial contributions		1,378	2,802	829	1,378	829
Subsidies and grants	4.	20,877	15,993	11,543	20,877	11,543
Finance income	5.	984	796	1,007	302	354
Other revenue	4.	6,813	5,697	6,399	6,977	6,647
Gain on revaluation of financial instruments	6.	13,698	-	-	13,698	-
Gain on disposal	6.	3	-	1,868	19,156	15,381
<b>Total Revenue</b>		<b>205,560</b>	<b>178,504</b>	<b>169,739</b>	<b>229,167</b>	<b>187,351</b>
<b>Expenses</b>						
Employee costs	7.	39,817	37,223	37,776	41,157	39,075
Other expenses	8.	100,205	98,318	95,097	115,736	105,032
Finance costs	5.	7,432	8,198	7,406	7,432	7,406
Loss on revaluation of financial instruments	6.	-	-	10,147	-	10,147
Depreciation and amortisation expenses	14 - 16.	41,528	44,441	40,807	43,797	42,850
<b>Total expense</b>		<b>188,982</b>	<b>188,180</b>	<b>191,233</b>	<b>208,122</b>	<b>204,510</b>
Share of associate's surplus/(deficit)	17.	-	-	-	83	(40)
<b>Surplus/(deficit) before tax</b>		<b>16,578</b>	<b>(9,676)</b>	<b>(21,494)</b>	<b>21,127</b>	<b>(17,199)</b>
Income tax expense/(benefit)	9.	28	-	-	1,301	997
<b>Surplus/(deficit) after tax (attributed to Hutt City Council)</b>		<b>16,550</b>	<b>(9,676)</b>	<b>(21,494)</b>	<b>19,826</b>	<b>(18,196)</b>
<b>Other comprehensive revenue and expenses</b>						
Items that will not be reclassified to surplus/ (deficit)						
Gain/(losses) on property revaluations	24.	-	-	68,961	2,206	76,687
Deferred tax on revaluation	9.	-	-	-	(353)	(1,039)
<b>Total other comprehensive revenue and expenses</b>		<b>-</b>	<b>-</b>	<b>68,961</b>	<b>1,853</b>	<b>75,648</b>
<b>Total comprehensive revenue and expenses (attributed 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>

Explanations of the major variances against budget are provided in note 29.  
The accompanying notes form an integral part of these financial statements.

## Tauākī nekeneke tūtanga

### Statement of changes in equity

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

	Notes	Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<b>Balance at 1 July</b>		<b>1,332,642</b>	<b>1,330,316</b>	<b>1,285,175</b>	<b>1,404,553</b>	<b>1,347,101</b>
Total comprehensive revenue and expenses for the year		16,550	(9,676)	47,467	21,679	57,452
Net assets on Amalgamation of Hutt City Community Facilities Trust	24.	37,144	-	-	-	-
<b>Balance at 30 June</b>	<b>24.</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>

Explanations of the major variances against budget are provided in note 29.  
The accompanying notes form an integral part of these financial statements.



**Tauākī tūnga pūtea**  
Statement of financial position

Statement of financial position as at 30 June 2021						
	Notes	Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<b>Assets</b>						
<b>Current assets</b>						
Cash and cash equivalents	10.	2,491	-	22,738	4,621	24,864
Debtors and other receivables	11.	18,712	25,606	15,628	18,349	13,934
Inventories	13.	896	-	237	13,544	12,098
Prepayments		9,514	7,493	3,554	9,602	3,812
Accrued interest		211	-	343	211	343
Non-current assets held for sale		-	-	-	1,822	-
Other financial assets	18.	-	-	20,000	-	20,000
<b>Total current assets</b>		<b>31,824</b>	<b>33,099</b>	<b>62,500</b>	<b>48,149</b>	<b>75,051</b>
<b>Non-current assets</b>						
Property, plant and equipment	14.	1,580,867	1,535,769	1,526,642	1,634,305	1,619,154
Intangible assets	15.	1,093	8,897	1,332	1,102	1,333
Assets under construction	14.	23,511	1,814	14,343	28,290	17,504
Non-current receivable		909	858	858	909	858
Investment in associate	17.	200	200	200	374	291
Other financial assets	18.					
- Investment in CCO's and other similar entities		33,743	36,545	37,082	3,498	3,556
- Investment in other entities		455	494	455	455	455
Total other financial assets		34,198	37,039	37,537	3,953	4,011
<b>Total non-current assets</b>		<b>1,640,778</b>	<b>1,584,577</b>	<b>1,580,912</b>	<b>1,668,933</b>	<b>1,643,151</b>
<b>Total assets</b>		<b>1,672,602</b>	<b>1,617,676</b>	<b>1,643,412</b>	<b>1,717,082</b>	<b>1,718,202</b>
<b>Liabilities</b>						
<b>Current liabilities</b>						
Cash equivalents - Overdraft	20.	-	10,318	-	-	-
Borrowings - current	20.	30,000	25,258	46,000	30,000	46,000
Derivative financial instruments (L)	12.	-	38	23	-	23
Creditors and other payables	19.	32,517	13,145	23,166	33,082	23,663
Employee entitlements	21.	5,161	2,170	2,724	5,261	2,790
Provisions - current	22.	342	-	-	342	-
Other liabilities	23.	7,570	5,362	5,207	7,659	5,323
<b>Total current liabilities</b>		<b>75,618</b>	<b>56,291</b>	<b>77,120</b>	<b>76,938</b>	<b>77,799</b>
<b>Non-current liabilities</b>						
Borrowings	20.	185,700	212,927	195,000	185,700	195,000
Employee entitlements	21.	419	5,313	544	453	578
Derivative financial instruments (L)	12.	18,458	534	32,133	18,458	32,133
Provisions - non current	22.	6,071	21,971	5,973	6,071	5,973
Deferred tax liability	9.	-	-	-	3,230	2,166
<b>Total non-current liabilities</b>		<b>210,648</b>	<b>240,745</b>	<b>233,650</b>	<b>213,912</b>	<b>235,850</b>
<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 (assets minus liabilities)</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>

Statement of financial position as at 30 June 2021						
		Council			Group	
	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<b>Equity</b>						
Accumulated funds	24.	685,230	636,041	634,408	695,212	677,178
Reserves	24.	701,106	684,599	698,234	731,020	727,375
<b>Total Equity (attributable to Hutt City Council)</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>

Explanations of the major variances against budget are provided in note 29.  
The accompanying notes form an integral part of these financial Statements.

## Tauākī kapewhiti Statement of cash flows

Statement of cash flows for the year ended 30 June 2021						
		Council			Group	
	Notes	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<b>Cash flows from operating activities</b>						
<i>Cash was provided from:</i>						
Receipts from rates and levies – Council		113,702	113,254	108,224	113,323	107,805
Receipts from rates and levies – GWRC*		31,794	32,391	31,225	31,794	31,225
Receipts from user charges and other income		74,805	54,589	57,344	80,547	62,268
Receipts from sales of commercial developments		-	-	-	285	285
Interest received		1,116	796	880	434	227
Dividends		-	6	406	-	406
Net GST received from Inland Revenue **		-	-	-	-	1,407
		<b>221,416</b>	<b>201,036</b>	<b>198,079</b>	<b>226,382</b>	<b>203,623</b>
<i>Cash was applied to:</i>						
Payments to employees		(37,498)	(37,223)	(37,212)	(38,811)	(38,478)
Payments to suppliers		(107,367)	(101,318)	(95,128)	(122,628)	(106,035)
Purchase of inventory held for commercial development		-	-	-	(1,123)	(4,801)
Interest paid		(7,183)	(8,198)	(7,283)	(7,183)	(7,283)
Net GST paid to Inland Revenue **		(491)	-	(151)	(2,048)	(157)
Rates and levies passed to GWRC*		(31,590)	(32,391)	(31,051)	(31,590)	(31,051)
		<b>(184,129)</b>	<b>(179,130)</b>	<b>(170,825)</b>	<b>(203,383)</b>	<b>(187,648)</b>
<b>Net cash flows from operating activities</b>		<b>37,288</b>	<b>21,906</b>	<b>27,254</b>	<b>23,000</b>	<b>15,975</b>
<b>Cash flows from investing activities</b>						
<i>Cash was provided from:</i>						
Receipts from sale of property, plant and equipment		173	-	2,931	58,254	16,474
Other investment receipts		20,959	-	3,263	20,576	3,208
		<b>21,132</b>	<b>-</b>	<b>6,194</b>	<b>78,830</b>	<b>19,682</b>



## Statement of cash flows for the year ended 30 June 2021

	Notes	Council			Group	
		Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000	Actual 2021 \$000	Actual 2020 \$000
<i>Cash was applied to:</i>						
Purchase of property, plant and equipment		(55,169)	(53,988)	(35,068)	(98,567)	(36,345)
- less UHCC capital contribution		2,445	4,701	1,046	2,445	1,046
Purchase of intangible assets		(125)	(6,505)	(70)	(133)	(70)
Other payments and investments		(518)	-	(20,800)	(518)	(20,800)
		<b>(53,367)</b>	<b>(55,792)</b>	<b>(54,892)</b>	<b>(96,773)</b>	<b>(56,169)</b>
<b>Net cash flows from investing activities</b>		<b>(32,235)</b>	<b>(55,792)</b>	<b>(48,698)</b>	<b>(17,943)</b>	<b>(36,487)</b>
<b>Cash flows from financing activities</b>						
<i>Cash was provided from:</i>						
Proceeds from borrowings		20,700	41,679	57,000	20,700	57,000
<i>Cash was applied to:</i>						
Repayment of borrowings		(46,000)	(19,793)	(20,000)	(46,000)	(20,000)
<b>Net cash flows from financing activities</b>		<b>(25,300)</b>	<b>21,886</b>	<b>37,000</b>	<b>(25,300)</b>	<b>37,000</b>
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		(20,247)	(12,000)	15,556	(20,243)	16,489
Cash, cash equivalents and bank overdrafts at the beginning of the year		22,738	1,682	7,182	24,864	8,375
<b>Cash, cash equivalents and bank overdrafts at the end of the year</b>	<b>10.</b>	<b>2,491</b>	<b>(10,318)</b>	<b>22,738</b>	<b>4,621</b>	<b>24,864</b>

\* GWRC is the Greater Wellington Regional Council for which the Hutt City Council acts as a collection agency by including additional rates in its own billing processes. Once collected the monies are passed to GWRC.

\*\* The GST (net) component of operating activities reflects the net GST paid and received with Inland Revenue. The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

Explanations of the major variances against budget are provided in note 29.  
The accompanying notes form an integral part of these financial Statements.



**Statement of cash flows for the year ended 30 June 2021 (continued)**  
**Reconciliation of surplus after tax with cash flows from operating activities**

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Surplus after tax</b>	<b>16,550</b>	<b>(21,494)</b>	<b>19,826</b>	<b>(18,196)</b>
<i>Add/(less) non-cash items:</i>				
Depreciation and amortisation	41,528	40,807	43,797	42,850
Share of associates (surplus)/deficit	-	-	(83)	40
Net bad debts/impairment expense	180	191	227	198
Gain/(Loss) on revaluation of financial instruments	(13,698)	10,147	(13,698)	10,147
Landfill and weather tight home provision	440	502	440	502
Vested Assets	(2,170)	(322)	(2,170)	(322)
Movement in NPV - Hotel Site	51	-	-	-
Income tax expense	28	-	1,301	997
<i>Add/(less) movements in working capital:</i>				
(Increase)/decrease in accounts receivable and other assets	(9,855)	(812)	(11,797)	(4,201)
Increase/(decrease) in creditors	(438)	(464)	(369)	(1,277)
Increase in provisions and other liabilities	4,675	567	4,682	620
<i>Add/(less) items classified as investing activities:</i>				
Surplus on sale of property, plant and equipment and other movements	(3)	(1,868)	(19,156)	(15,383)
<b>Net cash inflows from operating activities</b>	<b>37,288</b>	<b>27,254</b>	<b>23,000</b>	<b>15,975</b>

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



# Āpiti hanga tauākī pūtea

## Notes to the financial statements

### 1. Tauākī kaupapa here kaute

#### Statement of accounting policies

##### Reporting entity

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

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

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

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

The reporting date of council, CCO's and the associate is 30 June.

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

The financial statements of council and group are for the year ended 30 June 2021. The financial statements were authorised for issue by council on 21 December 2021.

##### Basis of preparation

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

##### Statement of compliance

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

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

##### Presentation currency and rounding

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

##### Standards issued and not effective and not early adopted

##### Financial instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments, which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. PBE IPSAS 41 is effective for the year ending 30 June 2022, with earlier application permitted. The main changes under the standard relevant to council and group are:

- new financial asset classification requirements for determining whether an asset is measured at fair value or amortised cost
- a new impairment model for financial assets based on expected losses, which might result in the earlier recognition of impairment losses.

Council and group have undertaken an initial assessment of the impact of the new standard. Based on that initial

assessment, council anticipates that the standard will not have a material effect on council and group's financial statements. Council and group will not early adopt this amendment.

### Cash flow statement

An amendment to PBE IPSAS 2 Cash Flow Statement requires entities to provide disclosures that enable user of financial statements to evaluate changes in liabilities arising from financing activities, including both changes arising from cash flow and non-cash changes. The amendment is effective for the year ending 30 June 2022, with early adoption permitted. This amendment will result in additional disclosure. Council and group will not early adopt this amendment.

### Combinations

PBE IPSAS 40 replaces PBE IFRS 3 Business Combinations. PBE IFRS 3 excluded from its scope combinations under common control and combinations arising from local authority reorganisations. These are now included in the scope of PBE IPSAS 40, through the inclusion of both acquisition and amalgamation accounting. This new standard is effective for the year ending 30 June 2022 and is applied prospectively. Council and group will not early adopt this standard.

### Service performance report

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

### Other changes in accounting policies

There have been no other changes in accounting policies.

### Summary of significant accounting policies

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

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

### Basis of consolidation

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

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

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

### Foreign currency transactions

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



## Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

## Budget figures

The budget figures presented in these financial statements are those approved by council in its Annual Plan 2020-2021. The budget figures have been prepared in accordance with NZ GAAP using accounting policies adopted by council for the preparation of these financial statements.

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

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

## Critical accounting estimates and assumptions

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

- Estimating the fair value of land, buildings and Infrastructural assets: refer to note 14: Property, plant and equipment.
- Estimating the retirement and long service leave obligations: refer to note 21: Employee entitlements.
- Estimating the Holiday's Act Compliance provisions: refer note 21: Employee Entitlements.
- Estimating the landfill aftercare provisions: refer to note 22: Provisions.



## Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2021 in relation to the classification of pensioner housing – refer to note 14: Property, plant and equipment.

Following the announcement by the Local Government Minister on 27 October 2021 regarding central government proceeding with the Three Waters Reform Programme using a legislated “all in” approach, Council continues to recognise its three waters assets at 30 June 2021 in accordance with the accounting policies set out in note 14. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity.

It is expected central government will develop details around the mechanism for the transfer of the water assets and this will be completed prior to 1 July 2024. As further details are established this may require adjustments to Council’s three water assets either in respect of disclosure or measurement.

## 2. Whakarāpopoto pūtea whiwhi, whakapaunga utu a ngā tōpū mahi

Summary revenue and expenditure for group of activities

### Accounting Policy

The cost of service for each significant activity of council has been derived using the cost allocation system outlined below.

Direct costs are those costs directly attributable to a significant activity. Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific significant activity.

Direct costs are charged directly to significant activities. Indirect costs are charged to significant activities using appropriate cost drivers such as actual usage, staff numbers and floor area.

There have been no changes to the cost allocation methodology during the year.



## Breakdown of summary revenue and expenditure for group of activities

	Council		
	Actual 2021 \$000	Budget 2021 \$000	Actual 2020 \$000
<b>Revenue</b>			
Integrated community services	6,264	6,709	5,853
Parks and reserves	4,688	2,757	4,693
Community facilities	-	59	193
City environment	190	82	3
City development	388	460	507
City resilience	451	468	557
Consents and regulatory services	9,533	8,824	8,452
Roads and accessways	21,999	19,169	14,019
Water supply	5,250	3,616	3,426
Wastewater	6,020	5,313	4,540
Stormwater	1,242	386	97
Solid waste	19,319	15,160	15,897
City Governance	2	-	237
City leadership	55,054	40,619	38,502
<b>Total activity revenue</b>	<b>130,400</b>	<b>103,621</b>	<b>96,976</b>
General rates	75,160	74,882	72,763
<b>Total revenue</b>	<b>205,560</b>	<b>178,504</b>	<b>169,739</b>
<b>Expenditure</b>			
Integrated community services	34,768	38,292	36,355
Parks and reserves	15,323	16,591	14,166
Community facilities	1,571	1,802	1,828
City environment	2,726	4,395	3,268
City development	8,499	9,944	9,045
City resilience	2,615	2,184	1,694
Consents and regulatory services	13,218	12,126	11,910
Roads and accessways	32,681	33,841	31,271
Water supply	21,830	20,762	20,427
Wastewater	22,801	22,861	22,522
Stormwater	9,281	9,768	9,132
Solid waste	15,474	10,983	12,554
City Governance	5,137	5,125	5,104
City leadership	3,058	(494)	11,967
<b>Total activity expenditure</b>	<b>188,982</b>	<b>188,180</b>	<b>191,233</b>
<b>Total operating expenditure</b>	<b>188,982</b>	<b>188,180</b>	<b>191,233</b>
<b>Surplus/(deficit) before tax</b>	<b>16,578</b>	<b>(9,676)</b>	<b>(21,494)</b>

### 3. Pūtea whiwhi tāke kaunihera

#### Rates revenue

##### Accounting Policy

Rates revenue is measured at fair value.

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

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

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

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

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

#### Breakdown of rates and further information

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
General rates	75,160	72,763	74,781	72,344
Targeted rates attributable to activities:				
- water supply (excluding metered water supply rates)	17,492	15,973	17,492	15,973
- wastewater	19,856	18,213	19,856	18,213
- recycling	1,357	1,337	1,357	1,337
- Jackson street programme	139	137	139	137
<b>Total rates (excluding metered water supply rates)</b>	<b>114,004</b>	<b>108,423</b>	<b>113,625</b>	<b>108,004</b>

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating)

Act 2002 together with any revenue received by Council from other authorities for services provided by that council for which those other local authorities rate. The annual rates income for the council for the year ended 30 June 2021 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is reflected in the table above.



## Rates remissions

Council's rate remission policy (set out in detail in the 2021–2031 LTP) allows Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital and land protected for historical or cultural purposes, provided the property is

used for community benefit and not for surplus. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

Rates remissions				
	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Total gross rates, excluding targeted water supply rates	114,382	108,779	114,003	108,360
Rates remissions:				
- Pan remissions	301	267	301	267
- Sports bodies and other	46	51	46	51
- Penalty remissions	31	38	31	38
<b>Total rates remissions</b>	<b>378</b>	<b>356</b>	<b>378</b>	<b>356</b>
<b>Rates (net of remissions), excluding metered water supply rates</b>	<b>114,004</b>	<b>108,423</b>	<b>113,625</b>	<b>108,004</b>

## 4. Utu apataki me ngā pūtea tāpiri kua tukuna mai

### User charges and subsidies received

#### Accounting Policy

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

#### Rental revenue

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

#### Water by Meter

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

#### Parking fees and fines

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

#### Building and resource consent revenue (regulatory revenue)

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

#### Entry fees

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

#### Landfill fees (solid waste collection and disposal)

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

#### Waka Kotahi NZ Transport agency subsidies

Council receives funding assistance from Waka Kotahi, which subsidises part of the costs of maintenance and capital expenditure on the local roading infrastructure. These subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

## Other grants received

Other grants are recognised as revenue when they become receivable unless there is an obligation in substance to return the funds if conditions of the grant are not met. If there is such an obligation, the grants are initially recorded as grants received in advance and recognised as revenue when the conditions of the grant are satisfied.

## Development and financial contributions

Development and financial contributions are recognised as revenue when the council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as the council provides, or is able to provide, the service.

## Vested assets

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

## Sales of goods

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

Breakdown of user charges and subsidies received				
	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Fees, charges and metered water supply</b>				
Rent	1,770	1,588	7,146	6,604
Water by meter	2,926	3,076	2,900	2,983
Parking fees	2,098	1,782	2,098	1,782
Service and entry fees	3,982	3,053	3,982	3,053
Solid waste collection and disposal	19,333	15,868	19,333	15,868
Other user charges	1,111	1,198	1,111	1,198
Regulatory revenue	12,536	9,584	12,536	9,584
Penalties	4,047	3,521	4,047	3,521
<b>Total fees, charges and metered water supply</b>	<b>47,803</b>	<b>39,670</b>	<b>53,153</b>	<b>44,593</b>
<b>Subsidies and grants</b>				
Waka Kotahi subsidies	15,188	8,622	15,188	8,622
Upper Hutt City Council	2,289	2,397	2,289	2,397
Other grants	3,400	524	3,400	524
<b>Total subsidies and grants</b>	<b>20,877</b>	<b>11,543</b>	<b>20,877</b>	<b>11,543</b>
<b>Other revenue</b>				
Dividends	4	406	4	406
Vested assets	2,170	645	2,170	645
Petrol tax	342	408	342	408
Sale of goods	472	281	652	415
Insurance proceeds	-	1	-	1
Miscellaneous revenue	3,825	4,658	3,809	4,772
<b>Total other revenue</b>	<b>6,813</b>	<b>6,399</b>	<b>6,977</b>	<b>6,647</b>

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

## 5. Whiwhinga pūtea me ngā utu ahumoni

### Finance income and finance costs

#### Accounting Policy

Interest / finance income is recognised using the effective interest method. Borrowing / finance costs are recognised as an expense in the financial year in which they are incurred. Borrowing costs consist of interest and other costs that the council and group incurs in connection with the borrowing of funds.

Council and group have chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

Breakdown of finance income and finance costs				
	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Finance income</b>				
Interest revenue				
- call and term deposits	285	321	302	354
- related party loans	699	686	-	-
<b>Total finance income</b>	<b>984</b>	<b>1,007</b>	<b>302</b>	<b>354</b>
<b>Finance costs</b>				
Interest expense				
- interest on bank borrowings	7,163	7,137	7,163	7,137
- discount unwind on provisions (note 22)	269	269	269	269
<b>Total finance costs</b>	<b>7,432</b>	<b>7,406</b>	<b>7,432</b>	<b>7,406</b>
<b>Net finance costs</b>	<b>6,448</b>	<b>6,399</b>	<b>7,130</b>	<b>7,052</b>

## 6. Ngā huanga me ngā numanga

### Gains and losses

Gains and losses				
	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Non-financial instruments</b>				
Property, plant and equipment gains/(losses) on disposal	3	1,868	19,156	15,381
<b>Total non-financial instruments gains/(losses)</b>	<b>3</b>	<b>1,868</b>	<b>19,156</b>	<b>15,381</b>
<b>Financial instruments</b>				
Gains/(Losses) on held for trading derivative financial instruments:				
- interest rate swaps	13,698	(10,147)	13,698	(10,147)
<b>Total financial instruments gains/(losses)</b>	<b>13,698</b>	<b>(10,147)</b>	<b>13,698</b>	<b>(10,147)</b>
<b>Total gains/(losses)</b>	<b>13,701</b>	<b>(8,279)</b>	<b>32,854</b>	<b>5,234</b>

## 7. Utu kaimahi

### Employee costs

#### Accounting Policy

Salaries and wages are recognised as an expense as employees provide services.

#### Superannuation schemes

##### Defined contribution schemes

Employer contributions to KiwiSaver and the Government Superannuation Fund are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

##### Defined benefit schemes

Council makes employer contributions to the Defined Benefit Plan Contributors Scheme (the scheme) which is managed by the Board of Trustees of the National Provident Fund (NPF). The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit plan accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus or deficit in the plan will affect future contributions by individual employers, as there is no prescribed basis for allocation. This scheme is therefore accounted for as a defined contribution scheme.

Employee costs				
	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
Salaries and wages	36,175	35,062	37,313	36,185
Defined contribution plan employer contributions	951	911	979	928
Increase/(decrease) in employee entitlements/liabilities (refer note 21)	2,312	564	2,346	597
Other employee costs	379	1,239	519	1,365
<b>Total employee costs</b>	<b>39,817</b>	<b>37,776</b>	<b>41,157</b>	<b>39,075</b>

#### The Chief Executive received the following remuneration:

	2021			2020		
	Salary	Post Employment Benefits	Total Remuneration	Salary	Post Employment Benefits	Total Remuneration
	\$	\$	\$	\$	\$	\$
Chief Executive	354,483	10,057	364,540	364,475	10,834	375,309

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

#### Employee staffing levels and remuneration

	Council		Group	
	2021	2020	2021	2020
Full-time equivalent salaried employees	386	407	399	418
Full-time equivalent waged and temporary employees	54	76	54	76
<b>Total Full Time Equivalent</b>	<b>440</b>	<b>483</b>	<b>453</b>	<b>494</b>
<b>Total number of staff</b>	<b>637</b>	<b>700</b>	<b>650</b>	<b>711</b>

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



### The number of employees earning per annum.

Salary range	Council		Group	
	2021	2020	2021	2020
\$200,000 – \$399,999	5	5	6	6
\$160,000 – \$199,999	6	5	6	6
\$140,000 – \$159,999	8	7	9	9
\$120,000 – \$139,999	20	15	22	15
\$100,000 – \$119,999	33	32	33	33
\$80,000 – \$99,999	75	78	77	78
\$60,000 – \$79,999	116	135	119	139
Less than \$59,999	374	423	378	425
<b>Total</b>	<b>637</b>	<b>700</b>	<b>650</b>	<b>711</b>

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

### Transactions with key management personnel

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

Transactions with key management personnel			
	Council & Group		
	2021 \$000	2020 \$000	
<b>Key management personnel costs</b>			
Salary and other short term benefits	1,351	1,310	
Post-employment benefits	40	37	
<b>Total key management personnel costs</b>	<b>1,391</b>	<b>1,347</b>	
<b>Total full time equivalent</b>	<b>5</b>	<b>5</b>	

### Severance payments

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their

employment with council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlement.

Severance payments				
	Council		Group	
	2021 \$	2020 \$	2021 \$	2020 \$
Severance payments	113,259	146,454	113,259	146,454
Number of employees	5	3	5	3

### Severance payments

In accordance with Schedule 10, Section 33 of the Local Government Act 2002, council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.

The value of each of the severance payment for the current year was \$1,000, \$9,566, \$12,838, \$27,774 and \$62,081 (2020: \$15,385, \$38,586 and \$92,483).

## 8. Utu whakahaere

### Operating costs

Operating costs				
	Council		Group	
	2021	2020	2021	2020
	\$000	\$000	\$000	\$000
<b>Auditors' fees - Audit New Zealand</b>				
- for auditing the financial statements	226	188	345	308
- for auditing the Long Term Plan and Amendment	137	57	137	57
Auditors' fees - other auditors	-	2	-	2
Impairment of receivables	297	195	319	204
Directors' fees	-	-	139	110
Entertainment	16	47	16	49
Grants	499	1,433	499	1,435
Insurance	3,496	3,069	4,095	3,671
Inventories	357	378	357	378
Legal services	287	593	303	614
Other specialist services	6,213	6,319	6,410	6,450
Impairment of property, plant and equipment	1	-	1	194
Councillors remuneration	953	907	916	907
Minimum lease payments under operating leases	1,373	1,384	1,525	1,536
Operational contracts	23,133	23,197	23,223	23,476
Maintenance	6,907	6,470	7,655	7,047
GWRC bulk water charges	9,290	9,221	9,290	9,221
Energy costs	3,414	3,276	3,475	3,408
Other expenses	43,606	38,361	57,031	45,965
<b>Total operating costs</b>	<b>100,205</b>	<b>95,097</b>	<b>115,736</b>	<b>105,032</b>



The Remuneration Authority determines the remuneration to be paid to elected members. Elected representatives received the following remuneration:

Mayor and councillors							
		Council	Group		Council	Group	
		2021			2020		
		Remuneration	Directors' fees	Total remuneration	Remuneration	Directors' fees	Total remuneration
		\$	\$	\$	\$	\$	\$
C Barry	Elected Mayor Oct 19	151,980	-	151,980	117,480	-	117,480
D Bassett	**	63,219	-	63,219	72,472	10,300	82,772
J Briggs		67,340	-	67,340	62,289	-	62,289
K Brown	Elected Oct 19	60,358	6,981	67,339	44,390	2,819	47,209
B Dyer	Elected Oct 19	62,587	-	62,587	44,918	-	44,918
S Edwards		80,305	-	80,305	69,420	-	69,420
D Hislop	Elected Oct 19	80,305	3,866	84,171	52,758	-	52,758
T Lewis	Appointed Deputy Mayor Oct 19	100,124	-	100,124	83,225	-	83,225
C Milne		60,358	2,416	62,774	61,828	12,182	74,010
A Mitchell	Elected Oct 19	60,358	-	60,358	42,618	-	42,618
S Rasheed	Elected Oct 19	60,358	-	60,358	41,787	-	41,787
N Shaw	Elected Oct 19	60,358	2,000	62,358	43,017	1,123	44,140
L Sutton		65,541	-	65,541	62,289	-	62,289
G Barratt	Up to Oct 19	-	-	-	19,161	-	19,161
L Bridson	Up to Oct 19	-	-	-	16,844	-	16,844
M Cousins	Up to Oct 19	-	-	-	19,161	577	19,738
M Lulich	Up to Oct 19	-	-	-	17,911	-	17,911
G McDonald	Up to Oct 19	-	-	-	17,911	-	17,911
WR Wallace	Up to Oct 19	-	-	-	46,056	-	46,056
<b>Total</b>		<b>973,191</b>	<b>15,263</b>	<b>988,454</b>	<b>935,535</b>	<b>27,001</b>	<b>962,536</b>
<b>Total number of representatives</b>		<b>13</b>	<b>4</b>	<b>13</b>	<b>13</b>	<b>5</b>	<b>13</b>

\*\*Councillor Bassett's directorship of Urban Plus Ltd ceased January 2020. Councillor Bassett later resigned from Council with effect from 14 June 2021. Due to the difficulty in determining the full-time equivalent for councillors this figure is taken as the number of councillors.

Directors' fees: Councillors are appointed to the boards of council controlled organisations (Seaview Marina Ltd, Urban Plus Ltd and Hutt City Community Facilities Trust).

Under the Local Government Members (2020/21) Determination 2020, councillors may claim a childcare allowance of up to \$6,000 per child under 14 as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business. They may also claim a communications allowance of \$400 for private internet use and \$400 for private cellphone use.

Council has three community boards – Petone, Eastbourne and Wainuiomata.

Remuneration paid to the elected members of these boards is as follows:

		2021	2020
		\$	\$
<b>Eastbourne Community Board:</b>			
V Horrocks (Chair)		13,230	12,789
M Gibbons		6,758	6,755
B Moss		6,758	4,678
N Spedding		6,758	4,678
F Vickers		6,758	4,678
R Ashe	Until Oct 19	-	2,076
L Knight	Until Oct 19	-	2,076
A Sutherland	Until Oct 19	-	2,076
		<b>40,262</b>	<b>39,806</b>
<b>Petone Community Board:</b>			
P Hanna (Chair)		15,751	15,253
M Fisher		8,032	8,032
M Henderson		8,032	5,561
M Roberts		8,032	5,561
A Voutratzis	From Feb 20	8,032	2,718
K Yung		8,032	8,032
M Branch	Until Oct 19	-	2,471
B Dyer	Until Oct 19	-	2,471
P Foese	Until Oct 19	-	2,471
		<b>55,911</b>	<b>52,570</b>
<b>Wainuiomata Community Board:</b>			
G Tupou (Chair)		16,591	16,006
D McKinley		8,461	5,857
T Stallworth		8,461	8,461
G Sue		8,461	5,857
S Tuala-Le'afa		8,461	8,410
J Winterburn		8,461	8,461
K Brown	Until Oct 19	-	2,603
R Sinnott	Until Oct 19	-	2,603
		<b>58,896</b>	<b>58,258</b>



## Meeting attendance of elected representatives 2021

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

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

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



### Meeting attendance of elected representatives 2020

Meeting - Pre Election October 2019	Council	Policy and regulatory	City development	Finance and performance	Community services	Community plan	Hutt valley services	Briefings
Number of meetings held:	3	2	2	3	2	0	1	2
WR Wallace	3	2	2	3	1	-	-	2
G Barratt	3	-	2	3	2	-	-	2
C Barry	3	2	2	2	-	-	-	2
D Bassett	3	2	2	2	-	-	-	-
L Bridson	3	2	-	-	2	-	-	2
J Briggs	3	2	-	3	2	-	-	2
M Cousins	3	2	2	3	-	-	-	2
S Edwards	3	2	2	3	2	-	-	2
T Lewis	3	2	2	-	-	-	-	2
M Lulich	3	2	2	3	2	-	-	2
G McDonald	3	-	1	-	2	-	1	-
C Milne	3	2	2	2	0	-	-	-
L Sutton	3	2	2	3	2	-	1	2

Meeting - Post election October 2019	Council	Policy, finance and strategy	Regulatory committee	Audit and risk	Community and environment	Long-term / Annual Plan	Hutt Valley services	Briefings
Number of meetings held:	11	2	2	2	2	4	2	17
C Barry	11	2	2	2	2	4	-	17
D Bassett	9	2	0	2	2	4	1	8
J Briggs	11	2	1	2	2	4	2	15
K Brown	11	2	2	-	2	4	-	15
B Dyer	11	2	2	-	2	4	-	15
S Edwards	10	2	1	-	1	4	-	10
D Hislop	10	2	1	-	1	4	-	16
T Lewis	11	2	0	-	2	3	-	16
C Milne	10	1	0	2	-	4	-	14
A Mitchell	11	2	2	2	2	4	-	17
S Rasheed	10	2	0	-	2	3	0	9
N Shaw	8	2	2	2	2	4	2	15
L Sutton	11	2	2	-	2	4	1	17

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

## 9. Pūtea takoha

### Taxation

#### Accounting Policy

Income tax expense includes components relating to both current tax and deferred tax.

Current tax is the amount of income tax payable based on the taxable profit for the current year, plus any adjustment to income tax payable in respect of prior years.

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

Deferred tax liabilities are generally recognised for all taxable temporary differences. Deferred tax assets are recognised to the extent that it is probable that taxable surplus will be available against which the deductible temporary differences or tax losses can be utilised.

Deferred tax is not recognised if the temporary difference arises from the initial recognition of goodwill or from the initial recognition of an asset and liability in a transaction that is not a business combination, and at the time of the transaction, affects neither accounting surplus nor taxable surplus.

Current tax and deferred tax are measured using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

Current tax and deferred tax is recognised against the surplus or deficit for the period, except when it relates to a business combination, or to transactions recognised in other comprehensive revenue and expenses or directly in equity.

## Breakdown of taxes and other information

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Components of tax expense</b>				
Current tax expense	28	-	593	-
Adjustments to current tax in prior years	-	-	(4)	-
Deferred tax expense	-	-	712	997
<b>Tax expense/(benefit)</b>	<b>28</b>	<b>-</b>	<b>1,301</b>	<b>997</b>
<b>Relationship between tax expense and accounting surplus</b>				
Net surplus/(deficit) before tax	16,578	(21,494)	21,127	(17,199)
Tax at 28%	4,642	(6,018)	5,916	(4,816)
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	1	6,019
Non-taxable revenue	(4,614)	6,018	(5,461)	(1,708)
Tax on partnership share	-	-	1,581	964
Group loss offset	-	-	1,197	(426)
Prior period adjustment	-	-	(5)	(166)
Reintroduction of tax depreciation on buildings	-	-	-	(379)
Tax losses not previously recognised	-	-	(2,036)	175
Deferred tax adjustment	-	-	108	1,334
<b>Tax expense/(benefit)</b>	<b>28</b>	<b>-</b>	<b>1,301</b>	<b>997</b>

## Deferred tax asset/(liability)

	Property, plant and equipment	Other provisions	Tax losses	Deferred tax asset/(liability)
<b>Council</b>				
Balance at 30 June 2019	-	-	-	-
Balance at 30 June 2020	-	-	-	-
Balance at 30 June 2021	-	-	-	-
<b>Group</b>				
Balance at 30 June 2019	(2,551)	18	2,403	(130)
Charged to surplus or deficit	553	15	(1,565)	(997)
Charged to equity	(1,039)	-	-	(1,039)
Balance at 30 June 2020	(3,037)	33	838	(2,166)
Charged to surplus or deficit	119	7	(838)	(712)
Charged to equity	(352)	-	-	(352)
Balance at 30 June 2021	(3,270)	40	-	(3,230)

Generally, local authorities are exempt from taxation except for income derived from any Council Controlled Company or port activity per section CW 39 of the Income Tax Act 2007. Council has unrecognised tax losses available to carry forward of \$nil (2020: \$nil), with a tax effect of \$nil (2020: \$nil). The Group has unrecognised tax losses available to carry forward of \$nil (2020: \$nil), with a tax effect of \$nil (2020: \$nil).



## 10. Ngā pūtea ukauka me hōna ritenga

### Cash and cash equivalents

#### Accounting Policy

Cash and cash equivalents (current assets) comprise of cash at bank, cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that

are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Overdrafts are included in note 20.

#### Breakdown of cash and cash equivalents and further information

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash at bank and on hand	2,491	9,738	4,621	11,864
Term deposits with maturities less than three months	-	13,000	-	13,000
<b>Cash and Cash Equivalents</b>	<b>2,491</b>	<b>22,738</b>	<b>4,621</b>	<b>24,864</b>

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

The total value of cash and cash equivalents within restricted reserves that can only be used for specified purposes, (as outlined in the

relevant trust deeds) is \$61,000 (2020: \$61,000), as shown in note 24.

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

## 11. Hunga noho nama mai me hētehi atu nama kia utua mai

### Debtors and other receivables

#### Accounting Policy

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

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

#### Fair value

Debtors and other receivables are non-interest bearing and receipts are normally on 30-day terms, therefore the carrying value of debtors and other receivables approximates their fair value.

## Breakdown of debtors and other receivables and further information

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Rates receivable	4,453	3,907	4,453	3,907
Other receivables:				
- Amounts due from related parties (note 26)	407	250	-	-
- GST receivable	2,336	1,845	2,336	288
- Other receivables	12,653	10,532	12,703	10,655
<b>Total other receivables</b>	<b>15,396</b>	<b>12,627</b>	<b>15,039</b>	<b>10,943</b>
<b>Gross debtors and other receivables</b>	<b>19,849</b>	<b>16,534</b>	<b>19,492</b>	<b>14,850</b>
Less provision for impairment	(1,137)	(906)	(1,143)	(916)
<b>Total debtors and other receivables</b>	<b>18,712</b>	<b>15,628</b>	<b>18,349</b>	<b>13,934</b>
Total receivables comprise of:				
Receivables from non-exchange transactions - this includes outstanding amounts for rates, grants, infringements and charges that are partly subsidised by rates	17,363	14,317	17,405	12,873
Receivables from exchange transactions - this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	1,349	1,311	944	1,061
	<b>18,712</b>	<b>15,628</b>	<b>18,349</b>	<b>13,934</b>

## Uncollectibility / Impairment

### Rates receivable

Council seldom provides for any impairment on rates receivable, as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts. These powers allow council to commence legal proceedings to recover any rates that remain unpaid 4 months after the due date for payments. If payment has not been made within 3 months of the courts judgement council can apply to the Registrar of the High Court to have the judgement enforced by sale or lease of the rating unit.

Ratepayers can apply for payment plan options in special circumstances. Where such repayment plans are in place, debts are discounted to their present value of future payments if the effect of discounting is material.

The Chief Executive has not approved the write-off of any rates receivable during the year as prescribed by Section 90 A and 90 B of the LG(R)A 2002 (2020: \$nil).

## Other receivables

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated, is \$nil (2020: \$nil).

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

Rates receivables						
	2021			2020		
	Gross	Impairment	Net	Gross	Impairment	Net
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Rates receivable - council</b>						
Not past due	-	-	-	-	-	-
Past due 1-60 days	3,502	-	3,502	3,618	-	3,618
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	951	-	951	289	-	289
<b>Total</b>	<b>4,453</b>	<b>-</b>	<b>4,453</b>	<b>3,907</b>	<b>-</b>	<b>3,907</b>
<b>Rates receivable - group</b>						
Not past due	-	-	-	-	-	-
Past due 1-60 days	3,502	-	3,502	3,618	-	3,618
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	951	-	951	289	-	289
<b>Total</b>	<b>4,453</b>	<b>-</b>	<b>4,453</b>	<b>3,907</b>	<b>-</b>	<b>3,907</b>
<b>Other receivables - council</b>						
Not past due	13,227	-	13,227	10,909	-	10,909
Past due 1-30 days	474	-	474	245	-	245
Past due 31-60 days	292	-	292	165	-	165
Past due >60 days	1,403	(1,137)	266	1,308	(906)	402
<b>Total</b>	<b>15,396</b>	<b>(1,137)</b>	<b>14,259</b>	<b>12,627</b>	<b>(906)</b>	<b>11,721</b>
<b>Other receivables - group</b>						
Not past due	12,849	-	12,849	9,185	-	9,185
Past due 1-30 days	476	-	476	246	-	246
Past due 31-60 days	295	-	295	178	-	178
Past due >60 days	1,417	(1,147)	270	1,334	(916)	418
<b>Total</b>	<b>15,036</b>	<b>(1,143)</b>	<b>13,890</b>	<b>10,943</b>	<b>(916)</b>	<b>10,027</b>
<b>Total receivables - council</b>	<b>19,849</b>	<b>(1,137)</b>	<b>18,712</b>	<b>16,534</b>	<b>(906)</b>	<b>15,628</b>
<b>Total receivables - group</b>	<b>19,489</b>	<b>(1,143)</b>	<b>18,349</b>	<b>14,850</b>	<b>(916)</b>	<b>13,934</b>

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

The impairment provision has been calculated based on expected losses for council's pool of debtors. Expected losses have been determined based on an analysis of council's losses in previous periods, and review of specific debtors as detailed below:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Individual impairment	233	199	238	204
Collective impairment	904	707	905	712
<b>Total provision for impairment</b>	<b>1,137</b>	<b>906</b>	<b>1,143</b>	<b>916</b>

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor and all appear in over 60 days past due.

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
At 1 July	906	754	916	759
Additional provisions made during the year	231	152	231	157
Provisions reversed during the year	-	-	(4)	-
Receivables written-off during the period	-	-	-	-
<b>At 30 June</b>	<b>1,137</b>	<b>906</b>	<b>1,143</b>	<b>916</b>

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

## 12. Taputapu whakanao pūtea mino

### Derivative financial instruments

#### Accounting Policy

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date.

As the council and group do not designate its derivative financial instruments as hedging instruments for accounting purposes, the associated gains or losses on derivatives are recognised within surplus or deficit.

Derivatives are carried as current or non-current assets when their fair value is positive and as current or non-current liabilities when their fair value is negative, depending on the maturity of the instrument.



## Breakdown of derivative financial instruments

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Current liability portion</b>				
Interest rate swaps - held for trading - Liability	-	23	-	23
<i>Total current liability portion</i>	-	23	-	23
<b>Non-current liability portion</b>				
Interest rate swaps - held for trading	18,458	32,133	18,458	32,133
<i>Total non-current liability portion</i>	18,458	32,133	18,458	32,133
<b>Total derivative financial instrument liabilities</b>	<b>18,458</b>	<b>32,156</b>	<b>18,458</b>	<b>32,156</b>
<b>Total derivative financial instruments</b>	<b>(18,458)</b>	<b>(32,156)</b>	<b>(18,458)</b>	<b>(32,156)</b>

### Fair value

The fair value of interest rate swaps has been determined using a discounted cash flows valuation technique based on quoted market prices as required by PBE IPSAS 29 Financial Instruments - Recognition and Measurement. The interest rate swaps were independently valued at 30 June 2021 by Richard Eaddy of Hedgebook Limited.

### Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for council and group were \$133 million (2020: \$134 million). At 30 June 2021, the fixed interest rates of cash flow hedge interest rate swaps vary from 1.82% to 5.20% (2020: 3.325% to 5.20%).

## 13. Rārangī hautaonga

### Inventories

#### Accounting Policy

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost, adjusted when applicable, for any loss of service potential.

Inventories held for distribution or consumption in the provision of services that are supplied on a commercial basis are measured at the lower of cost adjusted and net realisable value.

Cost is allocated using the first-in-first-out (FIFO) method, which assumes that inventories that were purchased first are distributed or used first.

Inventories acquired through a non-exchange transaction are measured at fair value at the date of acquisition.

#### Breakdown of debtors and other receivables and further information

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

When land held for the development and future resale is transferred from property, plant and equipment to inventory, the fair value of the land at the date of transfer is its deemed cost. Costs directly attributed to the developed land are capitalised to inventory, with the exception of infrastructural asset costs which are capitalised to property, plant and equipment.

Emission trading units are held for consumption based on landfill emissions and are valued at net realisable value.

Breakdown of inventory and further information				
	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Commercial inventories held for sale:</b>				
Diesel	2	2	21	21
Emission trading units	772	67	772	67
Inventory	122	168	122	168
Commercial property developments	-	-	12,629	11,842
<b>Total inventories</b>	<b>896</b>	<b>237</b>	<b>13,544</b>	<b>12,098</b>

No inventories are pledged as security for liabilities (2020: \$nil). However, some inventories are subject to retention of title clauses. Commercial inventories are valued at cost, as there are no impairments of inventories.

## 14. Ngā whare, ngā utauta me ngā taputapu

### Property, plant and equipment

#### Critical accounting estimates and assumptions

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

- the physical deterioration and condition of an asset: for example, council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible: for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. To minimise this risk council's infrastructural asset useful lives have been

determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, and deterioration and condition modelling are also carried out regularly as part of the council's asset management planning activities, which gives council further assurance over its useful life estimates.

- Experienced independent valuers perform council's infrastructural asset revaluations

#### Critical judgements in applying accounting policies

##### *Classification of pensioner housing properties*

The council and group own a number of properties held to improve housing to pensioners. The receipt of market-based rental from these properties is incidental to holding them. The properties are held for a service delivery objective as part of the council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

## Accounting policy

Property, plant and equipment consist of:

**Operational assets** – these include land, buildings, landfill post-closure, site improvements, library books, plant and equipment, collection items and motor vehicles.

**Restricted assets** – restricted assets are mainly parks and reserves owned by council and group that provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

**Infrastructure assets** – infrastructure assets are fixed-utility systems owned by council and group. Each asset class (roading assets, water assets, stormwater assets and wastewater assets) includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

Land (infrastructure, operational and restricted, except land under roads) and collections are measured at fair value. Buildings, site improvements and other infrastructure assets are measured at fair value less accumulated depreciation and impairment losses. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

### Revaluation

Land (excluding land under roads), buildings, site improvements, infrastructural assets and collection assets are revalued with sufficient regularity to ensure their carrying amount does not differentiate materially from fair value and at least every three years.

Revaluation of property, plant and equipment is accounted for on a class-by-class basis.

The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to

the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

### Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured reliably.

Work in progress is recognised at cost less impairment and is not depreciated.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through non-exchange transactions, it is recognised at its fair value as at the date of acquisition.

### Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to the council and group and the cost of the item can be measured with reliability.

The costs of day-to-day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

### Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are reported net in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment (other than land, land under roads and art collections), at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

	Years	Percentages
<b>Operational assets</b>		
Site improvements	5 - 42	2.38 - 20.00
Buildings	3 - 76	1.32 - 33.33
Landfill assets (including plant and infrastructure not associated with the network)	3 - 49	2.05 - 33.33
Library books	7	14.28
Plant and equipment	1 - 33	3.33 - 74.04
Vehicles	3 - 5	20.00 - 33.00
Wharves	6 - 41	2.44 - 14.68
Breakwaters	90	1.11
<b>Infrastructure assets</b>		
Storm water assets	10 - 52	1.91 - 10.00
Water supply assets	8 - 39	2.57 - 12.50
Waste water assets (including treatment plant)	2 - 135	0.74 - 50.00
Roading network	3 - 89	1.12 - 33.33
Seawalls	64	1.56

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

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

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

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

#### *Impairment of property, plant and equipment*

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

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

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

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

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



	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested Assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Council 2021</b>							
<b>Operational assets</b>							
Land	52,895	-	52,895	5	-	-	
Site improvements	25,215	(100)	25,116	5,998	-	-	
Buildings	117,909	(373)	117,536	38,890	-	(26)	
Landfill assets	46,074	(6,043)	40,031	3,243	-	(10)	
Library books	7,632	(4,288)	3,344	696	-	-	
Plant and equipment	18,689	(10,643)	8,046	6,144	-	(241)	
Vehicles	1,336	(652)	684	264	-	(101)	
Wharves	6,879	(2,476)	4,403	4,837	-	-	
Breakwaters	4,852	(4)	4,848	-	-	-	
	<b>281,481</b>	<b>(24,579)</b>	<b>256,903</b>	<b>60,077</b>	<b>-</b>	<b>(378)</b>	<b>-</b>
<b>Collection assets</b>							
Public art collections	2,194	-	2,194	-	-	-	
Other collection items	13,017	-	13,017	58	-	-	
Petone Settlers	219	-	219	-	-	-	
<b>Total collections</b>	<b>15,430</b>	<b>-</b>	<b>15,430</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>296,911</b>	<b>(24,579)</b>	<b>272,332</b>	<b>60,135</b>	<b>-</b>	<b>(378)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	196,356	(585)	195,771	4,659	518	-	-
Waste water treatment plant	39,821	(178)	39,643	3,838	-	-	
Less UHCC share in HVS assets	(39,946)	137	(39,809)	(2,445)	-	-	-
	<b>196,231</b>	<b>(626)</b>	<b>195,605</b>	<b>6,052</b>	<b>518</b>	<b>-</b>	<b>-</b>
Land	20,359	-	20,359	-	-	-	
Land under roads	145,616	-	145,616	-	143	-	
Storm water system	191,912	(358)	191,554	3,048	513	-	
Water supply system	112,895	(334)	112,561	3,106	281	-	
Roading network	447,805	(1,197)	446,608	21,042	600	-	
Seawalls	4,784	(6)	4,778	-	-	-	
<b>Total infrastructural assets</b>	<b>1,119,602</b>	<b>(2,522)</b>	<b>1,117,081</b>	<b>33,248</b>	<b>2,055</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	137,230	-	137,230	-	115	(12)	
<b>Total restricted assets</b>	<b>137,230</b>	<b>-</b>	<b>137,230</b>	<b>-</b>	<b>115</b>	<b>(12)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,553,743</b>	<b>(27,101)</b>	<b>1,526,642</b>	<b>93,383</b>	<b>2,170</b>	<b>(390)</b>	<b>-</b>

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

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested Assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Council 2020</b>							
<b>Operational assets</b>							
Land	44,392	-	44,392	588	-	-	-
Site improvements	30,382	(1,782)	28,601	87	-	(3)	-
Buildings	110,970	(5,702)	105,268	685	-	(16)	-
Landfill assets	40,942	(5,005)	35,937	5,132	-	-	-
Library books	6,823	(3,420)	3,403	809	-	-	-
Plant and equipment	18,600	(9,217)	9,382	1,081	-	(992)	-
Vehicles	734	(549)	185	677	-	(75)	-
Wharves	6,879	(2,285)	4,594	-	-	-	-
Breakwaters	5,101	(112)	4,989	-	-	-	-
	<b>264,823</b>	<b>(28,072)</b>	<b>236,751</b>	<b>9,059</b>	-	<b>(1,086)</b>	-
<b>Collection assets</b>							
Public art collections	1,738	-	1,738	29	-	-	-
Other collection items	11,979	-	11,979	65	-	-	-
Petone Settlers	83	-	83	-	-	-	-
<b>Total collections</b>	<b>13,800</b>	-	<b>13,800</b>	<b>94</b>	-	-	-
<b>Total operational assets</b>	<b>278,623</b>	<b>(28,072)</b>	<b>250,551</b>	<b>9,153</b>	-	<b>(1,086)</b>	-
<b>Infrastructural assets</b>							
Waste water system	205,136	(10,128)	195,008	3,526	128	-	-
Waste water treatment plant	45,291	(3,379)	41,912	1,907	-	-	-
Less UHCC share in HVS assets	(41,152)	2,411	(38,741)	(1,046)	-	-	-
	<b>209,275</b>	<b>(11,096)</b>	<b>198,179</b>	<b>4,387</b>	<b>128</b>	-	-
Land	16,386	-	16,386	-	-	-	-
Land under roads	145,538	-	145,538	-	78	-	-
Storm water system	189,248	(6,377)	182,871	2,246	70	-	-
Water supply system	124,165	(6,013)	118,152	4,159	135	-	-
Roading network	454,857	(18,260)	436,597	7,176	234	-	-
Seawalls	5,185	(168)	5,017	-	-	-	-
<b>Total infrastructural assets</b>	<b>1,144,654</b>	<b>(41,915)</b>	<b>1,102,740</b>	<b>17,968</b>	<b>645</b>	-	-
<b>Restricted assets</b>							
Land	117,943	-	117,943	-	-	(930)	-
<b>Total restricted assets</b>	<b>117,943</b>	-	<b>117,943</b>	-	-	<b>(930)</b>	-
<b>Total property, plant and equipment</b>	<b>1,541,220</b>	<b>(69,987)</b>	<b>1,471,233</b>	<b>27,121</b>	<b>645</b>	<b>(2,016)</b>	-

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
7,915	-	-	-	-	-	52,895	-	52,895
(5,251)	3	3,074	-	-	(1,395)	25,215	(100)	25,116
6,270	16	9,458	-	-	(4,145)	117,909	(373)	117,536
-	-	-	-	-	(1,038)	46,074	(6,043)	40,031
-	-	-	-	-	(868)	7,632	(4,288)	3,344
-	879	-	-	-	(2,305)	18,689	(10,643)	8,046
-	56	-	-	-	(159)	1,336	(652)	684
-	-	-	-	-	(191)	6,879	(2,476)	4,403
(249)	-	181	-	-	(73)	4,852	(4)	4,848
<b>8,685</b>	<b>954</b>	<b>12,713</b>	<b>-</b>	<b>-</b>	<b>(10,174)</b>	<b>281,481</b>	<b>(24,579)</b>	<b>256,903</b>
427	-	-	-	-	-	2,194	-	2,194
973	-	-	-	-	-	13,017	-	13,017
136	-	-	-	-	-	219	-	219
<b>1,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,430</b>	<b>-</b>	<b>15,430</b>
<b>10,221</b>	<b>954</b>	<b>12,713</b>	<b>-</b>	<b>-</b>	<b>(10,174)</b>	<b>296,911</b>	<b>(24,579)</b>	<b>272,332</b>
(12,434)	-	16,538	-	-	(6,995)	196,356	(585)	195,771
(7,377)	-	5,797	-	-	(2,596)	39,821	(178)	39,643
2,252	-	(4,015)	-	-	1,741	(39,946)	137	(39,809)
<b>(17,559)</b>	<b>-</b>	<b>18,320</b>	<b>-</b>	<b>-</b>	<b>(7,850)</b>	<b>196,231</b>	<b>(626)</b>	<b>195,605</b>
3,973	-	-	-	-	-	20,359	-	20,359
-	-	-	-	-	-	145,616	-	145,616
348	-	10,352	-	-	(4,333)	191,912	(358)	191,554
(15,564)	-	9,910	-	-	(4,231)	112,895	(334)	112,561
(14,462)	-	30,623	-	-	(13,560)	447,805	(1,197)	446,608
(401)	-	271	-	-	(109)	4,784	(6)	4,778
<b>(43,665)</b>	<b>-</b>	<b>69,476</b>	<b>-</b>	<b>-</b>	<b>(30,082)</b>	<b>1,119,602</b>	<b>(2,522)</b>	<b>1,117,081</b>
20,217	-	-	-	-	-	137,230	-	137,230
<b>20,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,230</b>	<b>-</b>	<b>137,230</b>
<b>(13,227)</b>	<b>954</b>	<b>82,189</b>	<b>-</b>	<b>-</b>	<b>(40,256)</b>	<b>1,553,743</b>	<b>(27,101)</b>	<b>1,526,642</b>



	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested Assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Group 2021</b>							
<b>Operational assets</b>							
Land	52,895	-	52,895	5	-	-	-
Site improvements	25,215	(100)	25,116	5,998	-	-	-
Buildings	117,909	(373)	117,536	38,890	-	(26)	-
Landfill assets	46,074	(6,043)	40,031	3,243	-	(10)	-
Library books	7,632	(4,288)	3,344	696	-	-	-
Plant and equipment	18,689	(10,643)	8,046	6,144	-	(24)	-
Vehicles	1,336	(652)	684	264	-	(10)	-
Wharves	6,879	(2,476)	4,403	4,837	-	-	-
Breakwaters	4,852	(4)	4,848	-	-	-	-
Seaview marina	9,886	(1,555)	8,331	822	-	(3)	-
Piers and berths	4,464	(1,866)	2,598	479	-	-	-
Urbanplus land	21,419	-	21,419	-	-	(420)	-
Urbanplus buildings	19,040	(72)	18,968	18	-	(290)	-
Urbanplus other assets	24	(20)	4	40	-	-	-
Hutt City Community Facilities Trust buildings	38,397	(73)	38,324	381	-	(37,394)	107
Hutt City Community Facilities Trust site improvements	2,668	(9)	2,659	-	-	(2,553)	-
Hutt City Community Facilities Trust equipment	253	(47)	206	-	-	(146)	(107)
	<b>377,632</b>	<b>(28,221)</b>	<b>349,411</b>	<b>61,817</b>	<b>-</b>	<b>(41,184)</b>	<b>-</b>
<b>Collection Assets</b>							
Public art collection	2,194	-	2,194	-	-	-	-
Other collection items	13,017	-	13,017	58	-	-	-
Petone Settlers	219	-	219	-	-	-	-
<b>Total collections</b>	<b>15,430</b>	<b>-</b>	<b>15,430</b>	<b>58</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>393,062</b>	<b>(28,221)</b>	<b>364,841</b>	<b>61,875</b>	<b>-</b>	<b>(41,184)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	196,356	(585)	195,771	4,659	518	-	-
Waste water treatment plant	39,821	(178)	39,643	3,838	-	-	-
Less UHCC share in HVS assets	(39,946)	137	(39,809)	(2,445)	-	-	-
	<b>196,231</b>	<b>(626)</b>	<b>195,605</b>	<b>6,052</b>	<b>518</b>	<b>-</b>	<b>-</b>
Land	20,359	-	20,359	-	-	-	-
Land under roads	145,616	-	145,616	-	143	-	-
Storm water system	191,912	(358)	191,554	3,048	513	-	-
Water supply system	112,895	(334)	112,561	3,106	281	-	-
Roading network	447,805	(1,197)	446,608	21,042	600	-	-
Seawalls	4,784	(6)	4,778	-	-	-	-
<b>Total Infrastructural assets</b>	<b>1,119,602</b>	<b>(2,522)</b>	<b>1,117,081</b>	<b>33,248</b>	<b>2,055</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	137,230	-	137,230	-	115	(12)	-
<b>Total Restricted assets</b>	<b>137,230</b>	<b>-</b>	<b>137,230</b>	<b>-</b>	<b>115</b>	<b>(12)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,649,894</b>	<b>(30,743)</b>	<b>1,619,154</b>	<b>95,123</b>	<b>2,170</b>	<b>(41,196)</b>	<b>-</b>

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	-	-	-	-	-	52,900	-	52,900
-	-	-	-	-	(1,259)	31,213	(1,359)	29,855
-	-	-	-	-	(4,604)	156,773	(4,977)	151,796
-	-	-	-	-	(1,161)	49,307	(7,204)	42,103
-	-	-	-	-	(857)	8,328	(5,145)	3,183
-	120	-	-	-	(1,831)	24,592	(12,354)	12,237
-	101	-	-	-	(139)	1,499	(690)	809
-	-	-	-	-	(193)	11,716	(2,669)	9,047
-	-	-	-	-	(54)	4,852	(58)	4,794
-	2	-	-	-	(257)	10,705	(1,810)	8,895
-	-	-	-	-	(165)	4,943	(2,031)	2,912
1,515	-	-	-	-	-	22,514	-	22,514
386	12	875	-	-	(894)	19,154	(79)	19,075
-	-	-	-	-	(4)	64	(24)	40
(1,491)	-	921	-	(25)	(823)	-	-	-
(115)	-	114	-	-	(105)	-	-	-
-	42	-	-	25	(20)	-	-	-
<b>295</b>	<b>277</b>	<b>1,910</b>	-	-	<b>(12,366)</b>	<b>398,560</b>	<b>(38,400)</b>	<b>360,160</b>
-	-	-	-	-	-	2,194	-	2,194
-	-	-	-	-	-	13,075	-	13,075
-	-	-	-	-	-	219	-	219
-	-	-	-	-	-	15,488	-	15,488
<b>295</b>	<b>277</b>	<b>1,910</b>	-	-	<b>(12,366)</b>	<b>414,048</b>	<b>(38,400)</b>	<b>375,648</b>
-	-	-	-	-	(7,314)	201,533	(7,899)	193,634
-	-	-	-	-	(2,344)	43,659	(2,522)	41,137
-	-	-	-	-	1,755	(42,391)	1,892	(40,499)
-	-	-	-	-	<b>(7,903)</b>	<b>202,801</b>	<b>(8,529)</b>	<b>194,272</b>
-	-	-	-	-	-	20,359	-	20,359
-	-	-	-	-	-	145,759	-	145,759
-	-	-	-	-	(4,431)	195,473	(4,789)	190,684
-	-	-	-	-	(4,213)	116,282	(4,547)	111,735
-	-	-	-	-	(14,439)	469,447	(15,636)	453,811
-	-	-	-	-	(75)	4,784	(81)	4,703
-	-	-	-	-	<b>(31,061)</b>	<b>1,154,905</b>	<b>(33,583)</b>	<b>1,121,323</b>
-	-	-	-	-	-	137,333	-	137,333
-	-	-	-	-	-	137,333	-	137,333
<b>295</b>	<b>277</b>	<b>1,910</b>	-	-	<b>(43,427)</b>	<b>1,706,286</b>	<b>(71,983)</b>	<b>1,634,306</b>

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested Assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Group 2020</b>							
<b>Operational assets</b>							
Land	44,392	-	44,392	588	-	-	-
Site improvements	30,382	(1,782)	28,601	87	-	(3)	-
Buildings	110,970	(5,702)	105,268	685	-	(16)	-
Landfill assets	40,942	(5,005)	35,937	5,132	-	-	-
Library books	6,823	(3,420)	3,403	809	-	-	-
Plant and equipment	18,600	(9,217)	9,382	1,081	-	(992)	-
Vehicles	734	(549)	185	677	-	(75)	-
Wharves	6,879	(2,285)	4,594	-	-	-	-
Breakwaters	5,101	(112)	4,989	-	-	-	-
Seaview Marina	9,567	(1,508)	8,059	343	-	(43)	-
Piers and berths	4,425	(1,718)	2,707	39	-	-	-
Urbanplus land	18,025	-	18,025	-	-	-	-
Urbanplus buildings	15,856	-	15,856	79	-	-	-
Urbanplus other assets	24	(19)	5	-	-	-	-
Hutt City Community Facilities Trust buildings	39,733	(984)	38,749	231	-	-	-
Hutt City Community Facilities Trust site improvements	2,893	(160)	2,733	-	-	-	-
Hutt City Community Facilities Trust equipment	203	(29)	174	50	-	-	-
	<b>355,549</b>	<b>(32,490)</b>	<b>323,059</b>	<b>9,801</b>	<b>-</b>	<b>(1,129)</b>	<b>-</b>
<b>Collection Assets</b>							
Public art collection	1,738	-	1,738	29	-	-	-
Other collection items	11,979	-	11,979	65	-	-	-
Petone Settlers	83	-	83	-	-	-	-
<b>Total collections</b>	<b>13,800</b>	<b>-</b>	<b>13,800</b>	<b>94</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total operational assets</b>	<b>369,349</b>	<b>(32,490)</b>	<b>336,859</b>	<b>9,895</b>	<b>-</b>	<b>(1,129)</b>	<b>-</b>
<b>Infrastructural assets</b>							
Waste water system	205,136	(10,128)	195,008	3,526	128	-	-
Waste water treatment plant	45,291	(3,379)	41,912	1,907	-	-	-
Less UHCC share in HVS assets	(41,152)	2,411	(38,741)	(1,046)	-	-	-
	<b>209,275</b>	<b>(11,096)</b>	<b>198,179</b>	<b>4,387</b>	<b>128</b>	<b>-</b>	<b>-</b>
Land	16,386	-	16,386	-	-	-	-
Land under roads	145,538	-	145,538	-	78	-	-
Storm water system	189,248	(6,377)	182,871	2,246	70	-	-
Water supply system	124,165	(6,013)	118,152	4,159	135	-	-
Roading network	454,857	(18,260)	436,597	7,176	234	-	-
Seawalls	5,185	(168)	5,017	-	-	-	-
<b>Total Infrastructural assets</b>	<b>1,144,654</b>	<b>(41,914)</b>	<b>1,102,740</b>	<b>17,968</b>	<b>645</b>	<b>-</b>	<b>-</b>
<b>Restricted assets</b>							
Land	117,943	-	117,943	-	-	(930)	-
<b>Total Restricted assets</b>	<b>117,943</b>	<b>-</b>	<b>117,943</b>	<b>-</b>	<b>-</b>	<b>(930)</b>	<b>-</b>
<b>Total property, plant and equipment</b>	<b>1,631,946</b>	<b>(74,404)</b>	<b>1,557,542</b>	<b>27,863</b>	<b>645</b>	<b>(2,059)</b>	<b>-</b>

Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
7,915	-	-	-	-	-	52,895	-	52,895
(5,251)	3	3,074	-	-	(1,395)	25,215	(100)	25,116
6,270	16	9,458	-	-	(4,145)	117,909	(373)	117,536
-	-	-	-	-	(1,038)	46,074	(6,043)	40,031
-	-	-	-	-	(868)	7,632	(4,288)	3,344
-	879	-	-	-	(2,305)	18,689	(10,643)	8,045
-	56	-	-	-	(159)	1,336	(652)	684
-	-	-	-	-	(191)	6,879	(2,476)	4,403
(249)	-	181	-	-	(73)	4,852	(4)	4,848
19	14	192	-	-	(253)	9,886	(1,555)	8,331
-	-	-	-	-	(148)	4,464	(1,866)	2,598
3,394	-	-	-	-	-	21,419	-	21,419
3,105	-	606	-	-	(678)	19,040	(72)	18,968
-	-	-	-	-	(1)	24	(20)	4
(1,567)	-	1,754	-	-	(843)	38,397	(73)	38,324
(225)	-	259	-	-	(108)	2,668	(9)	2,659
-	-	-	-	-	(18)	253	(47)	206
<b>13,411</b>	<b>968</b>	<b>15,524</b>	<b>-</b>	<b>-</b>	<b>(12,223)</b>	<b>377,632</b>	<b>(28,221)</b>	<b>349,411</b>
427	-	-	-	-	-	2,194	-	2,194
973	-	-	-	-	-	13,017	-	13,017
136	-	-	-	-	-	219	-	219
<b>1,536</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>15,430</b>	<b>-</b>	<b>15,430</b>
<b>14,947</b>	<b>968</b>	<b>15,524</b>	<b>-</b>	<b>-</b>	<b>(12,223)</b>	<b>393,062</b>	<b>(28,221)</b>	<b>364,841</b>
(12,434)	-	16,538	-	-	(6,995)	196,356	(585)	195,771
(7,377)	-	5,797	-	-	(2,596)	39,821	(178)	39,643
2,252	-	(4,015)	-	-	1,741	(39,946)	137	(39,809)
<b>(17,559)</b>	<b>-</b>	<b>18,320</b>	<b>-</b>	<b>-</b>	<b>(7,850)</b>	<b>196,231</b>	<b>(626)</b>	<b>195,605</b>
3,973	-	-	-	-	-	20,359	-	20,359
-	-	-	-	-	-	145,616	-	145,616
348	-	10,352	-	-	(4,333)	191,912	(358)	191,554
(15,564)	-	9,910	-	-	(4,231)	112,895	(334)	112,561
(14,462)	-	30,623	-	-	(13,560)	447,805	(1,197)	446,608
(401)	-	271	-	-	(109)	4,784	(6)	4,778
<b>(43,665)</b>	<b>-</b>	<b>69,476</b>	<b>-</b>	<b>-</b>	<b>(30,082)</b>	<b>1,119,602</b>	<b>(2,522)</b>	<b>1,117,081</b>
20,217	-	-	-	-	-	137,230	-	137,230
<b>20,217</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>137,230</b>	<b>-</b>	<b>137,230</b>
<b>(8,501)</b>	<b>968</b>	<b>85,000</b>	<b>-</b>	<b>-</b>	<b>(42,305)</b>	<b>1,649,894</b>	<b>(30,743)</b>	<b>1,619,154</b>



## Valuation

### Operational and restricted land and buildings

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

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

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

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

The most recent independent valuations for council's land and buildings effective 31 May 2020, was performed by Peter Erceg and Chris McCashin (MPINZ), of Aon Risk Solutions.

### Infrastructural assets (excluding land under roads)

The market value for financial reporting purposes was calculated using the optimised depreciated replacement cost (ODRC) approach. This is based on the current replacement cost of modern equivalent replacement assets (MERA) that is adjusted for

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

Council, through Wellington Water Limited, provided established asset groupings and further to these groupings, asset component classifications levels. Aon have used council asset groupings and asset component levels to establish a level of valuation. Physical inspections of all asset types were undertaken. During the site inspections, and whilst at the Wellington Water Limited offices, the valuer systematically inspected and documented each asset type, including key technical details, age, life and the assets' remaining useful lives.

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

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

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

The most recent independent valuations for infrastructural assets (excluding land under roads) was performed by Peter Erceg and Roger Khoo (MPINZ), of Aon Risk Solutions, and the valuation is effective as at 31 May 2020.

### Councils' most recent estimate of the replacement cost of infrastructural asset is at 31 May 2020:

	\$000
Waste water	549,780
Waste water treatment plant	112,010
Storm water	418,540
Water supply	275,000
Roading (excluding land under roads)	945,230
	<b>2,300,560</b>

### *Service concession arrangements*

The service concession arrangement assets consist of the waste water treatment plant located at Seaview which is jointly owned by UHCC and council but operated by Veolia Water under a 10 year agreement effective from June 2020. The contract has two rights of renewal for further subsequent terms of three and two years respectively. These assets are included in the infrastructure, building and site improvement assets and are valued consistently with other assets within the class.

The carrying value of these service concession assets for council and group is \$43.1million (2020: \$41.6million).

### *Collection items*

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

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

Painting and works on paper were valued as at 31 May 2020 by Ben Ashley (AAA), Ashley & Associates Limited, cultural and forensic specialists contracted as independent valuers.

### *Assets held by Subsidiaries*

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

independent valuer Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 May 2020.

Urban Plus flats and other Non-specialised properties are valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuers Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 May 2021.

Hutt City Community Facilities Trust assets consist of specialised properties and are valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuers Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 May 2021. These values were used as the fair value on the transfer and amalgamation of these assets into council.

## Insurance

Insurance			
Asset Type	Policy Class	Total declared value	Maximum Limit of Liability
Buildings, Plant and Equipment and above ground infrastructure property (land, roading assets and bridges are not insured)	Material Damage	408,856,684	<b>Natural Catastrophe:</b> \$600 million any one loss or series of losses arising out of any one event and in annual aggregate for all four Councils. <b>All other losses:</b> \$600 million any one loss or series of losses arising out of any one event for all four Councils.
Underground Infrastructure assets	Material Damage - Natural Catastrophe only	1,274,571,696	<b>Natural Catastrophe:</b> \$600 million each and every loss or series of losses arising out of any one event for all four Councils and limited to a \$350 million sublimit for HCC
Residential Property	Material Damage	6,221,000	<b>Natural Catastrophe:</b> First \$100,000 per unit to be recovered from the Earthquake Commission. Any remaining top up required per unit to a maximum of \$6,221,000 for 13 units. <b>All other losses:</b> Replacement value per unit to a maximum of \$5,751,200 for 14 units.
Motor Vehicle	Comprehensive Motor Vehicle	3,519,968	<b>Market value at time of loss.</b> Maximum limit any one vehicle \$400,000, unless agreed by insurer prior to loss. <b>Third party liability</b> - limit any one accident \$20 million.
Fine Arts	Material Damage	25,517,554	<b>Permanent Collection:</b> \$15,836,618 any one loss. <b>Exhibitions and Temporary Loans, incoming and outgoing:</b> Whilst at any unnamed location: \$2,000,000 any one loss. <b>Transit Limit:</b> \$750,000 any one loss

## Assets under construction

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

Assets under construction				
	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Water systems	10,240	-	10,240	-
Roading network	-	1,233	-	1,233
Landfills	184	407	184	407
Land and site improvements	10,093	11,071	10,093	13,485
Buildings	418	311	418	311
Other	2,576	1,321	7,355	2,069
<b>Total Assets under construction</b>	<b>23,511</b>	<b>14,343</b>	<b>28,290</b>	<b>17,505</b>

## 15. Hua whakawairua

### Intangible assets

#### *Software acquisition and development*

Acquired computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by council and group are recognised as an intangible asset. Direct costs include the software development employee costs and an appropriate portion of relevant overheads.

Staff training costs, costs associated with maintaining computer software and costs associated with development and maintenance of the council's website are recognised as an expense when incurred.

#### *Resource Consents*

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

#### *Amortisation*

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

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

	Years	Percentages
Computer software	2 - 10	10 - 44
Resource Consents	12 - 29	3.41 - 7.86

#### *Impairment of intangible assets*

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

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

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

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



	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested Assets \$000	Current year disposals \$000	Category adjustments to cost \$000
<b>Council 2021</b>							
Software	2,875	(2,388)	487	125	-	(146)	-
Resource consents	1,981	(1,136)	845	-	-	-	-
	<b>4,856</b>	<b>(3,524)</b>	<b>1,332</b>	<b>125</b>	<b>-</b>	<b>(146)</b>	<b>-</b>
<b>Council 2020</b>							
Software	3,713	(2,812)	901	70	-	(908)	-
Resource consents	1,981	(1,068)	913	-	-	-	-
	<b>5,694</b>	<b>(3,880)</b>	<b>1,814</b>	<b>70</b>	<b>-</b>	<b>(908)</b>	<b>-</b>
<b>Group 2021</b>							
Software	2,928	(2,438)	490	133	-	(146)	-
Resource consents	1,982	(1,139)	843	-	-	-	-
	<b>4,910</b>	<b>(3,577)</b>	<b>1,333</b>	<b>133</b>	<b>-</b>	<b>(146)</b>	<b>-</b>
<b>Group 2020</b>							
Software	3,766	(2,862)	904	70	-	(908)	-
Resource consents	1,982	(1,071)	911	-	-	-	-
	<b>5,748</b>	<b>(3,933)</b>	<b>1,815</b>	<b>70</b>	<b>-</b>	<b>(908)</b>	<b>-</b>



Revaluation surplus/ Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	145	-	-	-	(295)	2,854	(2,538)	316
-	-	-	-	-	(68)	1,981	(1,204)	777
-	<b>145</b>	-	-	-	<b>(363)</b>	<b>4,835</b>	<b>(3,742)</b>	<b>1,093</b>
-	907	-	-	-	(483)	2,875	(2,388)	487
-	-	-	-	-	(68)	1,981	(1,136)	845
-	<b>904</b>	-	-	-	<b>(551)</b>	<b>4,856</b>	<b>(3,524)</b>	<b>1,332</b>
-	145	-	-	-	(295)	2,915	(2,588)	327
-	-	-	-	-	(68)	1,982	(1,207)	775
-	<b>145</b>	-	-	-	<b>(363)</b>	<b>4,897</b>	<b>(3,795)</b>	<b>1,102</b>
-	907	-	-	-	(483)	2,928	(2,438)	490
-	-	-	-	-	(68)	1,982	(1,139)	843
-	<b>907</b>	-	-	-	<b>(551)</b>	<b>4,910</b>	<b>(3,577)</b>	<b>1,333</b>



## 16. Hekenga wāriu me ngā whakaurupātanga a ngā tōpū mahi

### Depreciation and amortisation expense by group of activity

Depreciation and amortisation expense by group of activity		
	Council	
	Actual 2021 \$000	Actual 2020 \$000
Directly attributable depreciation and amortisation expense by activity (group of activity)		
Integrated community services	5,360	5,228
Parks and reserves	2,218	2,337
<i>Group: Leisure and wellbeing</i>	<b>7,578</b>	<b>7,565</b>
City environment	-	-
City development	4	12
Consents and regulatory services	61	90
<i>Group: Growth</i>	<b>65</b>	<b>102</b>
City resilience	5	6
<i>Group: Sustainability</i>	<b>5</b>	<b>6</b>
Roads and accessways	14,572	13,737
Water supply	4,213	4,230
Wastewater	8,228	8,149
Stormwater	4,431	4,333
Solid waste	1,175	1,047
<i>Group: Infrastructure</i>	<b>32,619</b>	<b>31,496</b>
City leadership	1,261	1,638
<i>Group: Organisation</i>	<b>1,261</b>	<b>1,638</b>
<i>Total directly attributable depreciation and amortisation expense by group of activity</i>	<b>41,528</b>	<b>40,807</b>
Depreciation and amortisation not directly attributable by group of activity	-	-
<b>Total depreciation and amortisation expense</b>	<b>41,528</b>	<b>40,807</b>

## 17. Whakangao herekore

### Investment in associate

Wellington Water Limited was jointly created with two other councils on 9 July 2003 to manage the drinking water, wastewater and stormwater assets of the councils. Since its inception it has gradually expanded its operations and now covers six councils in the Wellington region.

The Company has issued Class A shares representing voting rights and Class B shares which confer the level of contributions and ownership between each council.

During October 2013, Upper Hutt and Porirua Councils purchased shares in the company

and during 2015 shares were issued to Greater Wellington Regional Council. A further issuance of share to South Wairarapa District Council was undertaken during 2019. The company is considered to be jointly controlled because of the equal share of voting rights conferred through the Class A shares and is therefore an associate of all Councils in accordance with IPSAS 28: Investments in Associates. Each Council will equity account for their respective ownership interest as determined by the proportionate value of Class A and Class B shares held. Council's ownership interest in the company is 20% (2020: 20%).

	Shares on Issue	Hutt City Council	Wellington City Council	Upper Hutt Council	Porirua City Council	Greater Wellington Regional Council	South Wairarapa District Council
<b>2021</b>							
Class A shares (voting entitlements)	900	150	150	150	150	150	150
		17%	17%	17%	17%	17%	17%
Class B shares (financial entitlements)	500	100	200	40	60	75	25
		20%	40%	8%	12%	15%	5%
<b>2020</b>							
Class A shares (voting entitlements)	900	150	150	150	150	150	150
		17%	17%	17%	17%	17%	17%
Class B shares (financial entitlements)	500	100	200	40	60	75	25
		20%	40%	8%	12%	15%	5%



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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Wellington Water Limited</b>				
Balance at beginning of the year	200	200	291	331
New Shares issued	-	-	-	-
B Shares sold	-	-	-	-
Share of operating surplus / (deficit)	-	-	83	(40)
<b>Balance at end of year</b>	<b>200</b>	<b>200</b>	<b>374</b>	<b>291</b>

	Total Wellington Water Limited		Group Share	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Revenue	226,288	187,796	45,258	37,559
Expenditure	225,746	188,045	45,150	37,609
Surplus (Deficit) before taxation	542	(249)	108	(50)
Taxation (Expense)/ benefit	(127)	55	(25)	11
<b>Surplus (Deficit) after taxation</b>	<b>415</b>	<b>(194)</b>	<b>83</b>	<b>(40)</b>
Assets	55,361	34,188	11,072	6,838
Liabilities	53,372	32,614	10,674	6,523
Equity	1,989	1,574	398	315







## 18. Huarawa tahua kē

### Other financial assets

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Current portion</b>				
Loans to related parties	-	-	-	-
Short term deposits with original maturities greater than three months	-	20,000	-	20,000
<b>Total other financial assets - current portion</b>	<b>-</b>	<b>20,000</b>	<b>-</b>	<b>20,000</b>
<b>Non-current portion</b>				
Investment in Council Controlled Organisation's and other similar entities				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 30)	15,700	18,981	-	-
Unlisted shares in Local Government Funding Agency	100	100	100	100
Borrower Notes from Local Government Funding Agency	3,398	3,456	3,398	3,456
<b>Total Investment in Council Controlled Organisation's and other similar entities</b>	<b>33,743</b>	<b>37,082</b>	<b>3,498</b>	<b>3,556</b>
<i>Investment in other entities</i>				
NZ Local Government Insurance Company	455	455	455	455
<b>Total investment in other entities</b>	<b>455</b>	<b>455</b>	<b>455</b>	<b>455</b>
<b>Total other financial assets - non-current portion</b>	<b>34,198</b>	<b>37,537</b>	<b>3,953</b>	<b>4,011</b>
<b>Total other financial assets</b>	<b>34,198</b>	<b>57,537</b>	<b>3,953</b>	<b>24,011</b>

Loans to related parties and shares in subsidiaries are those transactions with Urban Plus Limited, Seaview Marina Limited and Hutt City Community Facilities Trust - 100% owned subsidiaries (Council Controlled Organisations).

#### Unlisted shares

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

#### Impairment

There has been no impairment provision made on the investment in NZ Local Government Insurance Company (2020: \$nil).



## 19. Kaituku nama mai me hērā atu nama kia utua

### Creditors and other payables

#### Accounting policy

Short-term creditors and other payables are recorded at face value.

#### Breakdown of creditors and other payables:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Trade and other payables	3,788	1,848	3,788	1,940
Deposits and bonds	460	173	461	174
Accrued expenses	25,012	17,959	25,509	18,301
Rates in advance	1,765	1,521	1,765	1,521
Amounts due to customers for contract work	1,492	1,665	1,560	1,727
<b>Total creditors and other payables</b>	<b>32,517</b>	<b>23,166</b>	<b>33,083</b>	<b>23,663</b>

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

All creditors and other payables are classified as exchange transactions.

## 20. Tono pūtea taurewa

### Borrowings

#### Accounting policy

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

Borrowings are classified as current liabilities, unless the council or group has an

unconditional right to defer settlement of the liability for at least 12 months after the balance date.

These are loans raised by council for its various activities and projects. The details are:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Current portion</b>				
Bank overdraft	-	-	-	-
Secured loans	30,000	46,000	30,000	46,000
<b>Total current portion</b>	<b>30,000</b>	<b>46,000</b>	<b>30,000</b>	<b>46,000</b>
<b>Non-current portion</b>				
Secured loans	185,700	195,000	185,700	195,000
<b>Total non-current portion</b>	<b>185,700</b>	<b>195,000</b>	<b>185,700</b>	<b>195,000</b>
<b>Total borrowing</b>	<b>215,700</b>	<b>241,000</b>	<b>215,700</b>	<b>241,000</b>



### Secured loans

Council's debt of \$216 million (2020: \$241 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 0.625% to 4.524% (2020: 0.625% to 4.52%). Where the interest rate is floating, the rate is generally reset quarterly based on the 90-day bank bill rate plus a margin for credit.

### Security

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

Council previously had \$35 million wholesale advance facility with Westpac Banking Corporation. On 30 June 2021 the facility was split with Westpac Bank Corporation retaining a \$15 million facility (2020: \$35 million), and a new arrangement entered into with New Zealand Local Government Funding Agency for \$20 million (2020: Nil). As at 30 June a total of \$nil

(2020: \$nil) had been drawn against this facility. The facility is secured under the Debenture Trust Deed.

### Bank overdraft

Council has a \$250,000 unsecured bank overdraft facility (2020: \$250,000). The facility is undrawn at balance date (2020: \$nil).

### Internal borrowings

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

### Interest terms for secured loans

Council's secured loans are a mix of both fixed and floating rates of interest. For floating rate debt, the interest is reset quarterly based on the 90-day bank bill rate plus a margin for credit risk.

## 21. Whakawhiwhinga kaimahi

### Employee entitlement

#### Accounting policy

##### *Short-term benefits*

Employee benefits that council and group expect to be settled within 12 months after the end of the period in which the employee renders the related service are measured on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave and long-service leave earned to, but not yet taken at balance date, where the entitlements are expected to be settled within 12 months.

Council and group recognise a liability and an expense for bonuses where contractually obliged or where there is a past practice that has created a constructive obligation.

##### *Long-term benefits*

Employee benefits due to be settled beyond 12 months after the end of the period in which the employee renders the related service, include retirement gratuities. Due to the low value of the benefit and the fact that most employees who are entitled to this benefit have now accrued full entitlements, no actuarial valuation has been undertaken. The calculation is based on the entitlements accruing for eligible staff based on years of service using current remuneration rates.

##### *Presentation of employee entitlements*

Annual leave and vested long service leave are classified as a current liability. All other employee entitlements are classified as a non-current liability, as retirement dates are not known.

##### *Superannuation schemes*

###### Defined contribution schemes

Obligations for contributions to KiwiSaver and defined contribution superannuation schemes are recognised as an expense in the surplus and deficit as incurred.

## Breakdown of employee entitlements and other information

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Current portion</b>				
Accrued Salaries and Wages	434	264	434	264
Time in lieu	37	41	37	41
Annual leave	2,189	2,365	2,271	2,426
Annual leave - historical obligation *	2,466	-	2,479	-
Long Service Leave	35	54	40	59
<b>Total current portion</b>	<b>5,161</b>	<b>2,724</b>	<b>5,261</b>	<b>2,790</b>
<b>Non-current portion</b>				
Retirement gratuities	419	544	453	578
<b>Total non-current portion</b>	<b>419</b>	<b>544</b>	<b>453</b>	<b>578</b>
<b>Total employee entitlements</b>	<b>5,580</b>	<b>3,268</b>	<b>5,714</b>	<b>3,368</b>

\* This amount is the estimated cost to investigate and settle shortfall in payments made to current and past employees as a result of the complexities in interpreting and compliance with the Holidays Act 2003. The initial estimate has been developed and assessed independently by Ernst & Young based on identified areas of potential non-compliance with the Act and the subsequent recalculation performed based on a sample of employees. This estimate may change as further investigations and recalculations are performed.



## 22. Tuku ratonga

### Provisions

#### Accounting policy

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

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

#### Landfill post closure costs

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

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post closure costs when the obligation for post closure arises. The calculated cost is based on estimates of closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care for Silverstream and Wainuiomata is 28 years and 26 years respectively.

The calculations assume no change in the legislative requirements or technological

changes for closure and post closure treatment. The discount rate used is a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to council.

Amounts provided for closure and post closure costs are capitalised to the landfill asset where they give rise to future economic benefits, or if they are incurred to enable future economic benefits to be obtained. The capitalised landfill asset is depreciated over the life of the landfill based on the capacity used.

The provision of landfill post closure costs is valued annually by an independent valuer.

#### Critical accounting estimates and assumptions

##### Estimating the landfill aftercare costs

The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The future cash outflows for the provision have been estimated taking into account existing technology and known changes to legal requirements.

Provisions are measured at management’s best estimate of the expenditures required to settle the obligation at the reporting date, and are discounted to present value where the effect is material.

In determining the fair value of the provision, assumptions and estimates are made in relation to the discount rate, the expected cost of the post-closure restoration and monitoring of the landfill site and the expected timing of these costs. Expected costs and timing of the closure are based on the estimated remaining capacity of the landfill, based on the advice and judgement of qualified engineers. The estimates are discounted at a pre-tax discount rate that reflects current market assessments of the time value of money.

#### Breakdown of provisions and other information

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Provision for landfill aftercare	6,413	5,973	6,413	5,973
<b>Total provisions</b>	<b>6,413</b>	<b>5,973</b>	<b>6,413</b>	<b>5,973</b>
Current	342	-	342	-
Non-current	6,071	5,973	6,071	5,973
<b>Total provisions</b>	<b>6,413</b>	<b>5,973</b>	<b>6,413</b>	<b>5,973</b>

## Movements in provision

	Landfill Aftercare	
	2021 \$000	2020 \$000
Balance at beginning of the year	5,973	5,313
Discount unwinding	269	269
Amounts charged to provision during the period	171	391
<b>Balance at end of the year</b>	<b>6,413</b>	<b>5,973</b>

### Landfill aftercare costs

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

Council currently operates one landfill, Silverstream (stage 1 and 2). The stage 2 landfill is consented to be developed progressively with a total estimated airspace of 5.3 million cubic metres. The estimated available airspace in the completed section of the landfill is 310,000 cubic metres (2020: 100,000 cubic metres) with work underway to provide an additional 360,000 cubic meters over the next two years. Airspace usage is

currently approximately 126,000 cubic metres (2020: 126,000 cubic metres) per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for eleven years, is projected to be approximately 34–38 years. Council is monitoring gas, leachate, and water for six closed landfills identified as potential risks.

The cash outflows for the closed landfills at Silverstream stage 1 and Wainuiomata are expected to continue for at least twenty to thirty years. The long-term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 4.5% (2020: 4.5%) and an inflation rate of 2.0% (2020: 2.0%).

The provision is independently valued by Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2021.

## 23. Kawenga kē

### Other liabilities

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Other liabilities - current portion</b>				
Accrued interest expenses	791	811	791	811
Third party funds	192	265	192	265
Miscellaneous current liabilities	1,163	1,084	1,185	1,136
Income earned in advance	4,853	2,630	4,920	2,694
Development contributions	571	417	571	417
<b>Total other liabilities</b>	<b>7,570</b>	<b>5,207</b>	<b>7,659</b>	<b>5,323</b>



## 24. Tūtanga

### Equity

#### Accounting Policy

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

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

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

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

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

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

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







## Breakdown of equity and further information:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Accumulated funds</b>				
Balance at beginning of the year	634,409	665,775	677,178	703,992
Net assets on Amalgamation of Hutt City Community Facilities Trust	37,144	-	-	-
Deferred tax on revaluations	-	-	-	-
Interest allocated to reserves	(36)	(108)	(36)	(108)
Other adjustments	-	(6,874)	1,027	(6,874)
Other transfers to reserves	(3,325)	(3,570)	(3,325)	(3,570)
Transfers from reserves	489	680	542	1,934
Net surplus/(deficit) after tax	16,550	(21,494)	19,826	(18,196)
<b>Accumulated funds - balance at end of the year</b>	<b>685,230</b>	<b>634,409</b>	<b>695,211</b>	<b>677,178</b>
<b>Council created reserves</b>				
Balance at beginning of the year	24,823	21,821	24,876	23,121
Transfers to accumulated funds	(489)	(675)	(542)	(1,922)
Transfers from accumulated funds	3,325	3,570	3,325	3,570
Interest earned	36	107	36	107
<b>Council created reserves - balance at end of the year</b>	<b>27,695</b>	<b>24,823</b>	<b>27,695</b>	<b>24,876</b>
<b>Restricted reserves</b>				
Balance at beginning of the year	61	65	61	72
Transfers to accumulated funds	-	(5)	-	(12)
Transfers from accumulated funds	-	-	-	-
Interest earned	-	1	-	1
<b>Restricted reserves - balance at end of the year</b>	<b>61</b>	<b>61</b>	<b>61</b>	<b>61</b>
<b>Asset revaluation reserve</b>				
Balance at beginning of the year	673,350	597,515	702,438	619,916
Changes in asset value - revaluation	-	68,961	2,206	76,687
Changes in asset value - impairment	-	-	-	-
Other adjustments	-	6,874	(1,027)	6,874
Deferred tax on revaluation	-	-	(353)	(1,039)
<b>Asset revaluation reserve - balance at end of the year</b>	<b>673,350</b>	<b>673,350</b>	<b>703,264</b>	<b>702,438</b>
<b>Asset revaluation reserves consist of:</b>				
<b>Operational Assets</b>				
<i>Buildings</i>	60,758	60,758	68,673	69,330
<i>Land</i>	34,950	34,950	56,948	55,467
<i>Collections</i>	17,966	17,966	17,966	17,966
<b>Infrastructure Assets</b>				
<i>Land</i>	10,833	10,833	10,833	10,833
<i>Wastewater</i>	102,547	102,547	102,547	102,547
<i>Stormwater</i>	93,494	93,494	93,494	93,494
<i>Water</i>	42,115	42,115	42,115	42,115
<i>Road</i>	239,381	239,381	239,381	239,381
<b>Restricted Assets</b>				
<i>Land</i>	71,305	71,305	71,305	71,305
<b>Total asset revaluation reserves</b>	<b>673,350</b>	<b>673,350</b>	<b>703,262</b>	<b>702,438</b>
<b>Total other reserves</b>	<b>701,106</b>	<b>698,233</b>	<b>731,020</b>	<b>727,375</b>
<b>Total equity</b>	<b>1,386,336</b>	<b>1,332,642</b>	<b>1,426,232</b>	<b>1,404,553</b>

For more details on the purpose of the reserves, please refer to the 'Reserve Funds' statement at the end of this report.

Assets and liabilities acquired from Hutt City

Community Facilities Trust windup represents the assets and liabilities transferred upon the disestablishment of the Trust on the 30 June 2021 and include:

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

## 25. Taputapu whakanao pūtea

### Financial instruments

#### 25A. Financial instrument categories

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

	Note	Council		Group	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Financial assets</b>					
Loans and receivables					
Cash and cash equivalents	10.	2,491	22,738	4,621	24,864
Short term deposits with original maturities greater than three months	18.	-	20,000	-	20,000
Debtors and other receivables	11.	18,712	15,628	18,349	13,934
Other financial assets:					
Loans to Related Parties	18.	15,700	18,981	-	-
<b>Total loans and receivables</b>		<b>36,903</b>	<b>77,347</b>	<b>22,970</b>	<b>58,798</b>
<b>Held to maturity</b>					
Other financial assets:					
- NZ Local Government Insurance Company	18.	455	455	455	455
- NZ Local Government Funding Agency	18.	3,498	3,556	3,498	3,556
<b>Total held to maturity</b>		<b>3,953</b>	<b>4,011</b>	<b>3,953</b>	<b>4,011</b>
<b>Total financial assets</b>		<b>40,856</b>	<b>81,358</b>	<b>26,923</b>	<b>62,809</b>
<b>Financial liabilities</b>					
<b>Fair value through surplus or deficit - held for trading</b>					
Derivative financial instrument liabilities	12.	18,458	32,156	18,458	32,156
<b>Total fair value through surplus or deficit - held for trading</b>		<b>18,458</b>	<b>32,156</b>	<b>18,458</b>	<b>32,156</b>
<b>Financial liabilities at amortised cost</b>					
Trade creditors and other payables	19.	32,517	23,166	33,083	23,663
Income tax payable:	9.	28	-	593	-
Borrowings - secured loans	20.	215,700	241,000	215,700	241,000
<b>Total financial liabilities at amortised cost</b>		<b>248,245</b>	<b>264,166</b>	<b>249,376</b>	<b>264,663</b>
<b>Total financial liabilities</b>		<b>266,703</b>	<b>296,322</b>	<b>267,834</b>	<b>296,819</b>



## 25B. Financial instruments categories

For those instruments recognised at fair value on the statement of financial position, fair values are determined according to the following hierarchy:

- Quoted market price (level 1) – Financial instruments with quoted prices for identified instruments in active markets
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued where all significant inputs are observable.

- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value on the statement of financial position:

	2021				2020			
	Valuation Technique			Total	Valuation Technique			Total
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	Quoted Market Price	Observable Inputs	Significant non-observable inputs	Quoted Market Price	Observable Inputs	Significant non-observable inputs		
\$000	\$000	\$000	\$000	\$000	\$000			
<b>Council and Group</b>								
<b>Financial assets</b>								
Derivatives	-	-	-	-	-	-	-	-
Shares	-	-	3,953	3,953	-	-	4,011	4,011
<b>Financial liabilities</b>								
Derivatives	-	18,458	-	18,458	-	32,156	-	32,156
<b>Group</b>								
<b>Financial assets</b>								
Derivatives	-	-	-	-	-	-	-	-
Shares	-	-	3,953	3,953	-	-	4,011	4,011
<b>Financial liabilities</b>								
Derivatives	-	18,458	-	18,458	-	32,156	-	32,156

There were no transfers between the different levels of the fair value hierarchy.

### Valuation techniques with significant non-observable inputs (level 3)

The table below provides a reconciliation from the opening balance to the closing balance for the level 3 fair value measurements:

	2021 \$000	2020 \$000
Balance at 1 July	4,011	3,458
Gain and losses recognised in the surplus or deficit	-	(39)
Purchases	518	800
Sales	(576)	(208)
<b>Balance at 30 June</b>	<b>3,953</b>	<b>4,011</b>

### 25C. Financial instruments risks

Council's and group activities expose it to a variety of financial instrument risks, including market risk, credit risk and liquidity risk. Council and group has a series of policies to manage the risks associated with financial instruments and seeks to minimise exposure from its treasury activities. Council has established council-approved liability management and investment policies. These policies do not allow any transactions that are speculative in nature to be entered into.

#### Market Risk

##### Price risk

Price risk is the risk the fair value or future cash flows of a financial instrument will fluctuate as a result of changes in market prices. Council is exposed to equity securities price risk on its investments, which are classified as financial assets held at fair value through equity. This price risk arises due to market movements in listed securities. The price risk is managed by diversification of council's investment portfolio in accordance with the limits set out in council's Investment Policy.

##### Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June council does not have any foreign currency risk (2020: \$nil).

##### Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates of interest expose Council to fair value interest rate risk. Council's liability management policy is to maintain approximately between 55% and 95% of its borrowings in fixed rate instruments. Floating to fixed interest rate swaps are entered into to hedge the fair value interest rate risk arising where council has borrowed at floating rates.

##### Cash flow interest rate risk

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

## Credit risk

Credit risk is the risk that a third party will default on its obligation to council, causing council to incur a loss. Due to the timing of its cash flows and outflows, council at times invests surplus cash into bank and term deposits which gives rise to credit risk. Council investment policy limits the amount of credit exposure to any one financial institution or organisation. The group only invest funds with entities that have a Standard and Poor's

credit rating of at least A- for short term and A- for long-term investments. Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk. Financial instruments which potentially subject the group to credit risk principally consist of cash and/or cash equivalents, trade and other receivables, other assets, financial guarantees and interest rate swaps and options.

The maximum exposure to credit risk:

	Note	Council		Group	
		2021 \$000	2020 \$000	2021 \$000	2020 \$000
Cash, cash equivalents and term deposits	10.	2,491	22,738	4,621	24,864
Debtors and other receivables	11.	18,712	15,628	18,349	13,934
Other assets	18.	455	455	455	455
Short term deposits with original maturities greater than three months	18.	-	20,000	-	20,000
Loans to related parties	18.	15,700	18,981	-	-
Financial guarantees	28.	43	51	43	51
<b>Total credit risk</b>		<b>37,401</b>	<b>77,853</b>	<b>23,468</b>	<b>59,304</b>

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

## Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit

ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Counterparties with credit ratings</b>				
<b>Cash at bank and term deposits</b>				
AA-	2,491	42,738	4,621	44,864
<b>Total cash at bank and term deposits</b>	<b>2,491</b>	<b>42,738</b>	<b>4,621</b>	<b>44,864</b>
<b>Counterparties without credit ratings</b>				
<b>Community and related party loans</b>				
Existing counterparty with no defaults in the past	15,700	18,981	-	-
<b>Total community, development and related party loans</b>	<b>15,700</b>	<b>18,981</b>	<b>-</b>	<b>-</b>

Loans to related parties in the contractual maturity analysis contractual cash flows do not reflect the current year. \$15,700,000 is non current (2020: \$18,981,000)

Debtors and other receivables mainly arise from council's statutory functions. Therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal

or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly

ratepayers, and council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

## Liquidity risk

### Management of liquidity risk

Liquidity risk is the risk that council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed

credit lines available. Council manages its borrowings in accordance with its funding and financial policies. These policies have been adopted as part of the council's Long Term Plan. Council has a policy to maintain the overdraft facility to below \$250,000 at any one time and has undrawn credit facilities totalling \$35 million (2020: \$35 million).

## Contractual maturity analysis of financial liabilities

The table below analyses council's financial liabilities into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are

contractual undiscounted cash flows. Financial guarantees are included in the time band containing the earliest date they can be called upon.

Contractual maturity analysis of financial liabilities:

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1-3 years	Between 3-5 years	Greater than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
<b>Council 2021</b>						
Trade and other payables	3,788	3,788	3,788	-	-	-
Income tax payable	28	28	28	-	-	-
Secured loans	215,700	222,863	30,996	67,882	51,660	72,325
Financial guarantees	43	43	43	-	-	-
<b>Total</b>	<b>219,559</b>	<b>226,722</b>	<b>34,855</b>	<b>67,882</b>	<b>51,660</b>	<b>72,325</b>
<b>Group 2021</b>						
Trade and other payables	3,788	3,788	3,788	-	-	-
Income tax payable	593	593	593	-	-	-
Secured loans	215,700	222,863	30,996	67,882	51,660	72,325
Financial guarantees	43	43	43	-	-	-
<b>Total</b>	<b>220,124</b>	<b>227,287</b>	<b>35,420</b>	<b>67,882</b>	<b>51,660</b>	<b>72,325</b>
<b>Council 2020</b>						
Trade and other payables	1,848	1,848	1,848	-	-	-
Income tax payable	-	-	-	-	-	-
Secured loans	241,000	248,137	47,363	56,628	51,480	92,666
Financial guarantees	51	51	51	-	-	-
<b>Total</b>	<b>242,899</b>	<b>250,036</b>	<b>49,262</b>	<b>56,628</b>	<b>51,480</b>	<b>92,666</b>
<b>Group 2020</b>						
Trade and other payables	1,940	1,940	1,940	-	-	-
Income tax payable	-	-	-	-	-	-
Secured loans	241,000	248,137	47,363	56,628	51,480	92,666
Financial guarantees	51	51	51	-	-	-
<b>Total</b>	<b>242,991</b>	<b>250,128</b>	<b>49,354</b>	<b>56,628</b>	<b>51,480</b>	<b>92,666</b>



Council is exposed to liquidity risk as a guarantor of all of the LGFA borrowings. This guarantee becomes callable in the event of the LGFA failing to pay its borrowings when they fall due. Information about this exposure is explained in note 30.

### Contractual maturity analysis of financial assets

The table below analyses council's financial assets into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. The amounts disclosed are the contractual undiscounted cash flows and include interest receipts.

Contractual maturity analysis of financial assets:

	Carrying amount \$000	Contractual cash flows \$000	Less than 1 year \$000	Between 1-3 years \$000	Between 3-5 years \$000	Greater than 5 years \$000
<b>Council 2021</b>						
Cash and cash equivalents	2,491	2,491	2,491	-	-	-
Debtors and other receivables	18,712	18,712	18,712	-	-	-
Other financial assets:						
- loans to related parties	15,700	15,700	-	15,700	-	-
<b>Total</b>	<b>36,903</b>	<b>36,903</b>	<b>21,203</b>	<b>15,700</b>	<b>-</b>	<b>-</b>
<b>Group 2021</b>						
Cash and cash equivalents	4,621	4,621	4,621	-	-	-
Debtors and other receivables	18,349	18,349	18,349	-	-	-
<b>Total</b>	<b>22,970</b>	<b>22,970</b>	<b>22,970</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Council 2020</b>						
Cash and cash equivalents	22,738	22,738	22,738	-	-	-
Debtors and other receivables	15,628	15,628	15,628	-	-	-
Other financial assets:						
- loans to related parties	18,981	18,981	13,981	5,000	-	-
<b>Total</b>	<b>57,347</b>	<b>57,347</b>	<b>52,347</b>	<b>5,000</b>	<b>-</b>	<b>-</b>
<b>Group 2020</b>						
Cash and cash equivalents	24,864	24,864	24,864	-	-	-
Debtors and other receivables	13,934	13,934	13,934	-	-	-
<b>Total</b>	<b>38,798</b>	<b>38,798</b>	<b>38,798</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Sensitivity Analysis

The tables below illustrate the potential surplus and deficit and equity (excluding accumulated funds) for reasonably possible

market movements, with all other variables held constant, based on Council's financial instrument exposure at balance date.

Council and group								
	2021				2020			
	\$000		\$000		\$000		\$000	
	-100bps		+100bps		-100bps		+100bps	
Interest rate risk	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity	Surplus	Other Equity
<b>Financial assets</b>								
Derivatives held for trading	(9,471)	-	8,675	-	(11,718)	-	10,631	-
<b>Financial liabilities</b>								
Borrowing:								
- short term loans	300	-	(300)	-	460	-	(460)	-
- term loans	1,667	-	(1,667)	-	1,760	-	(1,760)	-
<b>Total sensitivity to interest rate risk</b>	<b>(7,504)</b>	<b>-</b>	<b>6,708</b>	<b>-</b>	<b>(9,498)</b>	<b>-</b>	<b>8,411</b>	<b>-</b>

### Explanation of sensitivity analysis

Derivative net financial assets and derivatives held for trading include interest rate swaps with a fair value liability totalling \$18,458,000 (2020 liability: \$32,371,000). A movement in interest rates of plus 1% has an effect of \$9,471,000

(2020: \$11,718,000) on the unrealised value of the derivatives.

No equity instruments are held. No foreign exchange instruments are held.

### Short term loans

Council has short term floating rate debt with a principal amount totalling \$nil (2020: \$nil). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$nil (2020: \$nil).

### Term loans

Council has term floating rate debt with a principal amount totalling \$145 million (2020: \$172 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1,450,000 (2020: \$1,720,000). A movement in market interest rates on fixed rate debt \$71 million (2020: \$69 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

## 26. Ngā whakawhitiwhiti ki ngā rōpū whai pānga mai

### Related party transactions

Council is the ultimate parent of the group and controls the following entities, being Urban Plus Limited (and their group), Seaview Marina Limited, Hutt City Community Facilities Trust, and has significant influence over Wellington Water Limited as an associate.

Related party disclosures have not been made for transactions with related parties that are within a normal supplier and client or recipient relationship on terms and conditions no more or less favourable than those that it is

reasonable to expect council and group would have adopted in dealing with the party at arms-length in the same circumstances.

Related party disclosures have not been made for transactions with entities within the council group (such as funding and financing flows) where the transactions are consistent with the normal operating relationship between the entities and normal terms and conditions for such group transactions.

## 27. Paihere haupū rawa me ngā rīhi whakahaere

### Capital commitments and operating leases

#### Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
<b>Property, plant and equipment</b>				
- 3 water networks	2,485	-	2,485	-
- Roading network	8,146	8,701	8,146	8,701
- Buildings	138	-	138	-
- Other	200	2,282	3,530	2,282
Intangible assets	-	-	-	-
<b>Total capital commitments</b>	<b>10,969</b>	<b>10,983</b>	<b>14,299</b>	<b>10,983</b>

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

#### Operating leases as lessee

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Not later than one year	400	973	442	891
Later than one year and not later than five years	228	1,403	237	906
Later than five years	-	1,600	-	64
<b>Total non-cancellable operating leases</b>	<b>628</b>	<b>3,976</b>	<b>679</b>	<b>1,861</b>

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2020: \$nil).

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

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



## Operating leases as lessor

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

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Not later than one year	-	-	241	700
Later than one year and not later than five years	-	-	84	1,964
Later than five years	-	-	-	801
<b>Total operating leases at lessor</b>	<b>-</b>	<b>-</b>	<b>325</b>	<b>3,465</b>

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

## 28. Whakawhirinakitanga

### Contingencies

#### Contingent liabilities

	Council		Group	
	2021 \$000	2020 \$000	2021 \$000	2020 \$000
Financial guarantees	43	51	43	51
Other legal proceedings	-	-	-	-
<b>Total contingent liabilities</b>	<b>43</b>	<b>51</b>	<b>43</b>	<b>51</b>

#### Financial Guarantees

The value of financial guarantees disclosed as contingent liabilities reflects council's assessment of the undiscounted portion of financial guarantees owing by the other party to the guarantee as disclosed in their annual reports, that are not recognised in the statement of financial position, to local community groups. Council has recognised \$nil (2020: \$nil) financial guarantees in the statement of financial position.

#### Other legal proceedings

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

#### Unquantified claims

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



### Associate's contingent liabilities

There are no material contingent liabilities associated with the Wellington Water Limited (associate) (2020: \$nil).

### New Zealand Local Government Funding Agency (LGFA)

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

Council is one of 30 local authority shareholders (with the NZ government being the other major shareholder) and 32 additional local authority guarantors of LGFA. LGFA has uncalled capital of \$20M of which Council's share is \$100k. When aggregated with the uncalled capital of other shareholders, \$20M is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, council is a guarantor of all of LGFA's borrowings. At 30 June 2021, LGFA had borrowings totalling \$14.42 billion (2020: \$11.91 billion).

Financial reporting standards require council to recognise the guarantee liability at fair value.

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

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

### Contingent assets

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

## 29. Taurangi ahumoni matua

### Major budget variations

Explanations for major variations from council's budgeted figures in the 2020–2021 Annual Plan are as follows:

The statement of comprehensive revenue and expenses discloses the financial performance of council and group for the financial year ended 30 June 2021.

The statement shows the operating revenue and expenditure as well as other transactions that have impacted on the council's and group's wealth. The following are the significant variances:

- Rates, excluding metered water supply rates, is \$0.8M above budget, largely due to high growth together with other minor variances.
- Fees, charges and metered rates for water supply is \$7.8M above budget due to increases of \$4.7M solid waste disposal fees as a result of higher volumes processed at the landfill and \$1.7M reserve contribution levies as a result of a number of large subdivisions .
- Development and financial contributions is \$1.4M below budget due to the delay in the completion of capital projects.
- Subsidies and grants \$4.8M above budget. This is due to increased percentage rate of funding from Waka Kotahi for LED light replacement work upgrade (\$1.6M) which was previously unsubsidised work and government stimulus grant for council's three water activities of \$3.1M to allow for additional renewal work on the three networks.
- Other revenue is \$1.5M above budget as a result of increased revenue from vested assets due to the completion of a number of large subdivisions.
- Gain on revaluation of financial instruments is \$13.7M above budget. This variance is a result of changing market conditions. Gains on revaluation are not budgeted for.

- Employee costs is \$2.6M above budget. This is due mainly to an additional provision made to meet the costs associated with the historical Holiday Act compliance matters referred to in note 21. A project has been set up to address this matter.
- The above have contributed to a net surplus after tax of \$16.6M compared to a budget deficit after tax of \$9.7M.
- The above has contributed to total comprehensive revenue and expenses surplus of \$16.6M compared to a budget deficit of \$9.7M.
- The statement of financial position (what council own and owe) is as at 30 June 2021. The following are significant variances in the statement of financial position:
  - Cash and cash equivalents (including budgeted overdraft) is \$12.7M above budget. Refer to cash flow explanations below.
  - Debtors and other Receivables is \$6.9M lower than budget. This is mainly due the budget factoring in delay in payments from customers due to COVID-19 that did not eventuate.
  - Prepayments is \$2.0M higher than budget. This is partly due to alignment of renewal date from November to May for material damage insurance policies and larger than expected prepayment balance to our associate Wellington Water Limited.
  - Property, plant and equipment is \$45.0M above budget due largely to the amalgamation of \$40.0M of Hutt City Community Facilities Trust assets into council owned fixed assets.
  - Intangible assets is \$7.8M below budget. This is mainly due to Cloud software expenditure originally intended to be capitalised but was subsequently transferred to licence fee prepayments as the arrangement did not carry any ownership rights.
  - Assets under construction is \$21.7M above budget. This is due to the delay in the completion and capitalisation of three water projects and the accumulation of costs associated with the RiverLink project.
  - Current and non-current borrowing is \$22.5M below budget. This is due to additional borrowing sourced during the year ended 30 June 2019 largely due to

COVID-19 risk which remained unspent, plus additional revenue from fees, charges, subsidies and grants resulting in lower-than-expected borrowing during 2020-21.

- Current and Non current derivative financial instruments liability is \$17.9M above budget. This is due to the revaluation of council's interest rate swap portfolio.
- Creditors and other payables are \$19.4M above budget. This is due to timing of payments to suppliers for operational and capital expenditure.
- Non-current provisions are \$15.6M below budget resulting from lower increase level in landfill aftercare provision than expected.
- The accumulation of the above results in Net Assets and Equity being \$65.7M above budgeted level.
- The following are significant variances in the statement of cash flows:
  - Cash in flow from operations, \$15.4M above budget, relates to increased revenue received from fees, charges, grants and subsidies.
  - Cash out flow from Investing, \$23.6M below budget, relates to the maturing of \$20M short term investment recorded over 2019-20 balance date.
  - Cash in flow from financing, \$47.2M below budget, relates to additional borrowing sourced during 2019-20 due to COVID-19, which remained unspent, plus increased cash from operations (noted above) resulting in a lower level of funding in 2020-21.

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



## 30. Whakahaere haupū rawa

### Capital management

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

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

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

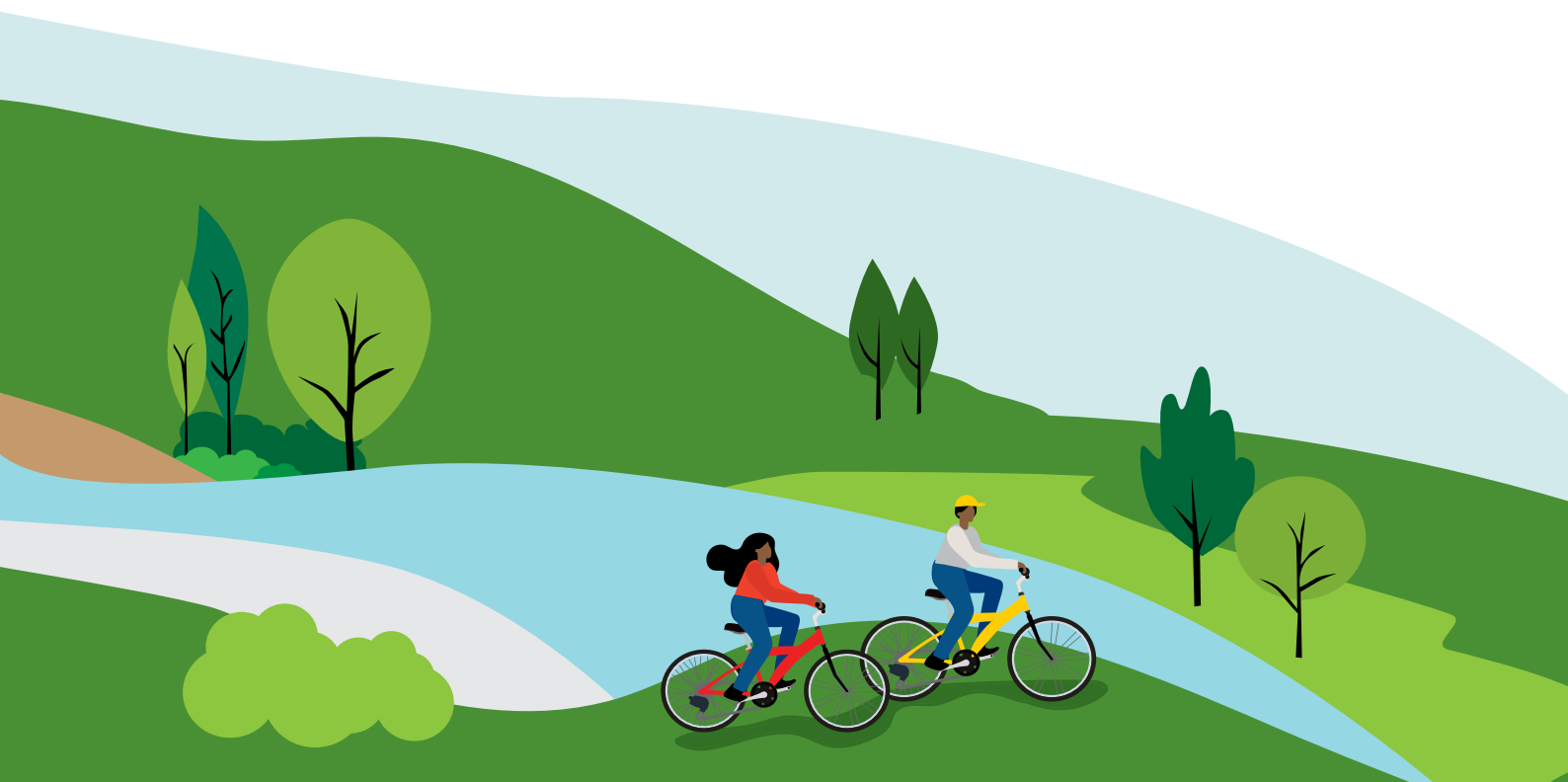
The LGA requires the council to make adequate and effective provision in its Long Term Plan (LTP) and Annual Plan (where applicable) to meet the expenditure needs identified in those plans. And the Act sets out the factors that council is required to consider when determining the most appropriate sources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

Council has the following council created reserves:

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

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate.

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



### 31. Āhuatanga i pā i muri i te rā whakaatu tūnga pūtea

#### Events after the balance date

##### COVID-19

At 11.59pm on the 17 August 2021, New Zealand entered Alert Level 4 lockdown as a result of a COVID-19 outbreak. This resulted in the closure of council facilities and impacted on the revenue streams of those facilities. The facilities remained closed until the 8 September 2021 when the alert level dropped to level 2. Given the lockdown period was for a short period of time, it is not expected to have a material impact on council's financial performance or position.

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

### 32. Taumaha KOWHEORI-19

#### Impact of COVID-19

During the fourth quarter of 2019-20 New Zealand moved through the COVID-19 alert levels emerging on 8 June to Alert level 1 where we stayed for the remainder of the quarter. Accordingly, Council's response to the COVID-19 pandemic dominated the quarter and impacted our performance on a number of fronts. Capital investment and asset maintenance programmes were unable to progress as planned and the enforced closure of facilities impacted on service delivery performance and reduced revenue levels in a number of areas.

At the time of approval and adoption of this report 21 December 2021, under the traffic light system, the Wellington region remains at orange.

As the region did not enter into any Alert Level 3 or 4 lockdowns during 2020-21, there were no significant impact on council or group's financial performance or position for the year ended 30 June 2021. Impacts of COVID-19 on supply chains and availability of specialist expertise has had an indirect impact on achievement of council projects.



# Haupū tāpui

## Reserve funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surplus held in reserves are credited with interest. Council holds 14 reserves; four are restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that council may put the funds towards. The remaining council-created reserves are discretionary reserves

that Council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of Council's treasury management.

Table 1 contains a list of current reserves outlining the purpose for holding each reserve and the council activity to which each reserve relates, together with summary financial balances for the 2020–21 year.

**Table 1: Current reserves**

	Opening balance July 2020 \$000	Deposits \$000	Expenditure \$000	Closing balance June 2021 \$000
<b>Council-created reserves – purpose of the fund</b>				
<b>Reserve purchase and development (parks and reserves activity)</b> To provide for the purchase of land for reserves purposes or the development of existing reserves. The fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the fund is to provide open space and recreational opportunity to offset the effects of land use intensification.	11,830	3,171	(280)	14,722
<b>Election fund (managing services activity)</b> To annually provide for the cost of Council elections and by-elections.	150	-	-	150
<b>Landfills reserve (solid waste activity)</b> To set funds aside for the longer-term replacement of the landfill. This figure has been capped at \$12M.	12,000	-	-	12,000
<b>Waste minimisation reserve</b> To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contracts.	484	1	(209)	276
<b>Wingate Landfill reserve (parks and reserves activity)</b> To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	179	-	-	179
<b>Wingate Park (parks and reserves activity)</b> To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	173	-	-	173
<b>Ex-Hillary Commission funds (aquatics and recreation)</b> To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	7	-	-	7
<b>Ex-Hutt City Community Facilities Trust – Fraser Park Turf long term asset repair and maintenance fund</b> To provide for the long term maintenance of the named facility.	-	28	-	28
<b>Ex-Hutt City Community Facilities Trust – Ricoh Sport Centre long term asset repair and maintenance fund</b> To provide for the long term maintenance of the named facility.	-	12	-	12
<b>Ex-Hutt City Community Facilities Trust – Naenae Bowls Centre long term asset repair and maintenance fund</b> To provide for the long term maintenance of the named facility.	-	148	-	148
<b>Totals</b>	<b>24,823</b>	<b>3,360</b>	<b>(489)</b>	<b>27,695</b>

	Opening balance July 2020 \$000	Deposits \$000	Expenditure \$000	Closing balance June 2021 \$000
<b>Restricted reserves – purpose of the fund</b>				
<b>Taita Cemetery – JV Bently (parks and reserves activity)</b> The Council is contracted to maintain Plot 32/33, block 7, St James section in perpetuity. The plots contain Issac Young, Eliza Young and AG Talbut.	3	-	-	3
<b>Lavelle tree bequest (parks and reserves activity)</b> To provide for the planting of trees in and around Lower Hutt on major thoroughfares.	33	-	-	33
<b>ML Talbut Bequest (Parks and Reserves Activity)</b> To provide for the planting and maintenance of reserves.	14	-	-	14
<b>Eastbourne Arts Trust (museums activity)</b> To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.	11	-	-	11
<b>Totals</b>	<b>61</b>	<b>-</b>	<b>-</b>	<b>61</b>





# Paerewa matawhāiti

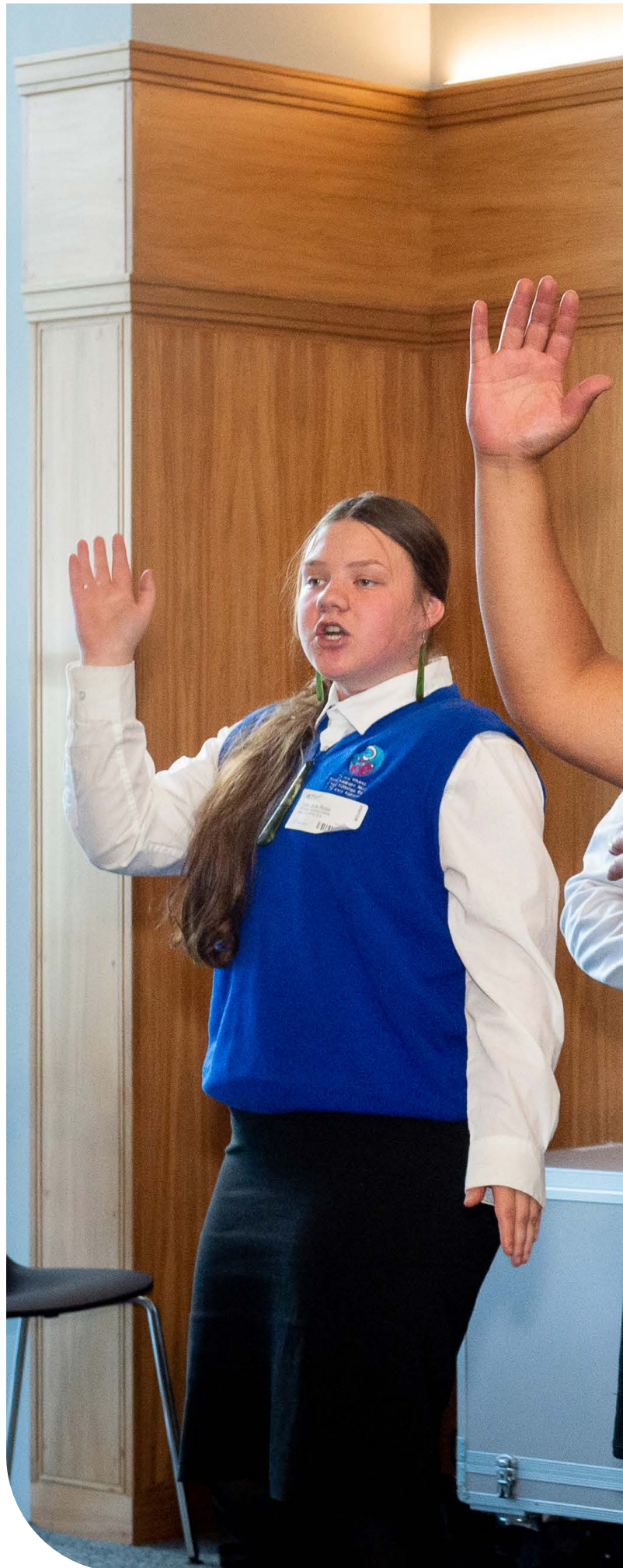
## Prudence Benchmarks

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

The Council is required to include these prudence benchmarks in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations).

Refer to the regulations for more information, including definitions of some of the terms used in this statement.

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









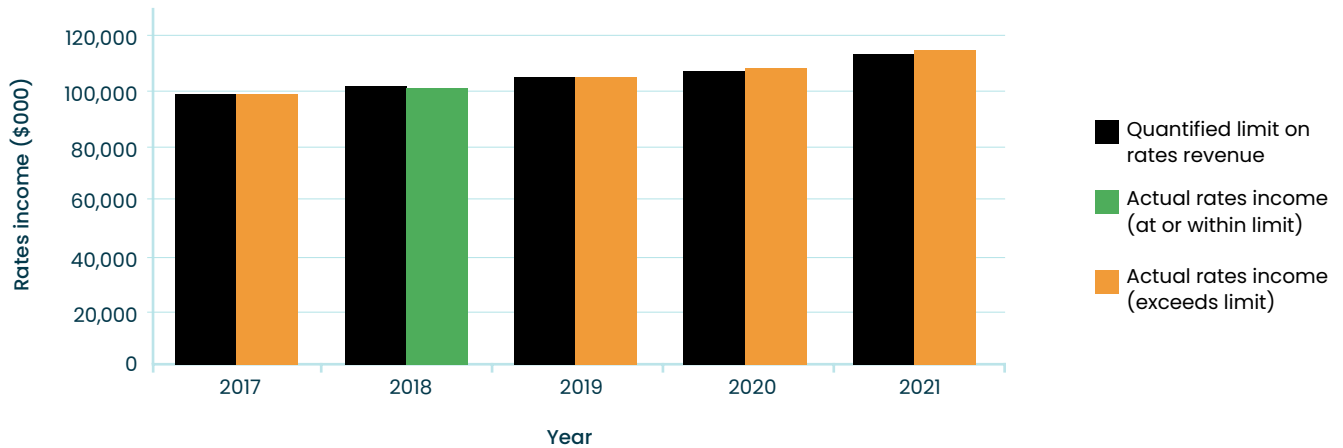
## Paerewa tāke kaunihera (whiwhinga pūtea) matatika

### Rates (income) affordability benchmark

The following graph compares Council’s actual rates increase with a quantified limit on rates increases included in the financial strategy of the council’s Long Term Plan. The quantified limit in the Annual Plan 2020-21 was to increase rates by no more than the Local Government

Cost Index plus 2% including 1% for growth. Increases above the quantified limits reflect a greater level of growth in the city than expected together with other minor variances.

### Rates (income) affordability benchmark



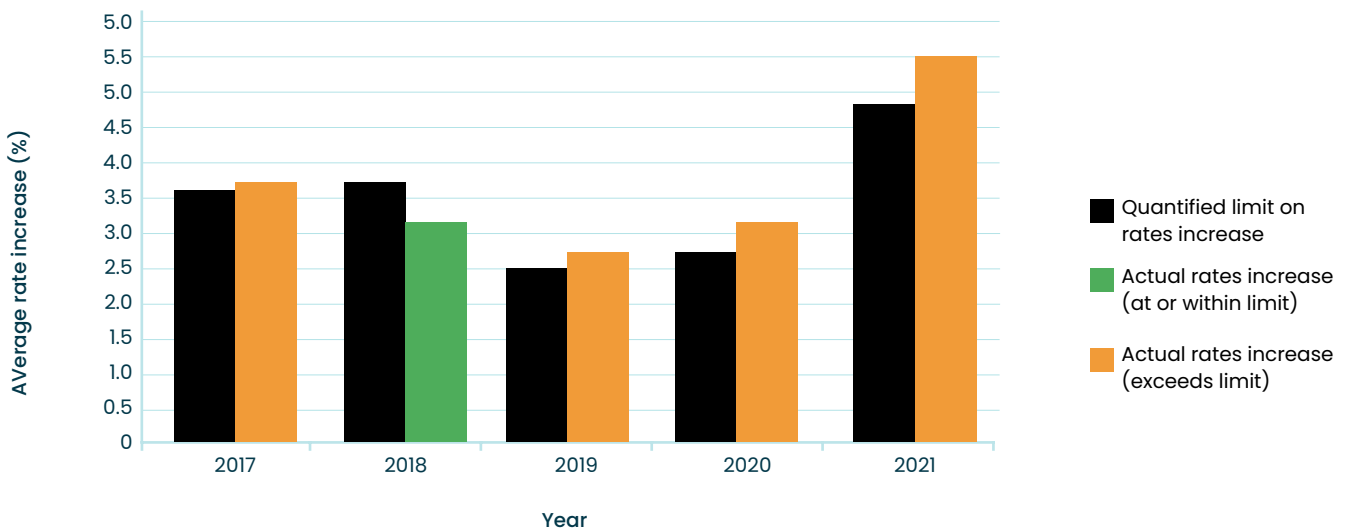
## Paerewa tāke kaunihera (pikinga) matatika

### Rates (increase) affordability benchmark

The following graph compares Council’s actual rates increase with a quantified limit on rates increases included in the financial strategy of the council’s Long Term Plan. The quantified limit in the Annual Plan 2020-21 was to increase rates by no more than the Local Government

Cost Index plus 2% including 1% for growth. Increases above the quantified limits reflect a greater level of growth in the city than expected together with other minor variances.

### Rates (increase) affordability benchmark



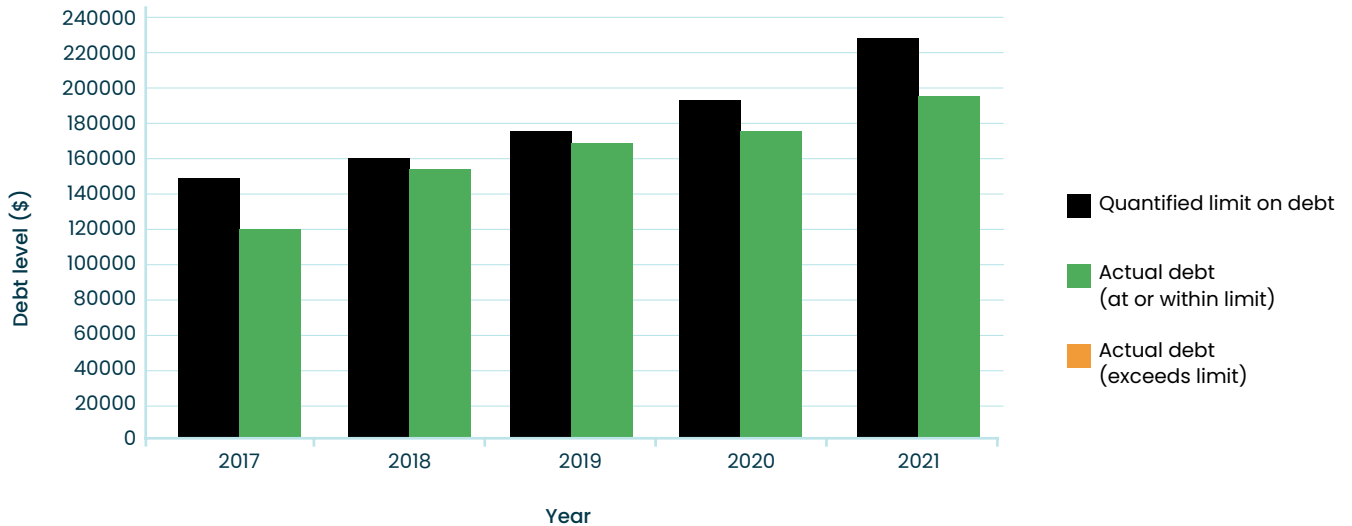
## Paerewa pūtea tārewa matatika

### Debt affordability benchmark

The following graph compares council's actual borrowing as a percentage of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant or equipment)

with a quantified limit on borrowing stated in the financial strategy included in council's Long Term Plan. The quantified limit is to achieve debt levels below our annual target (as outlined in the Long Term Plan).

### Debt affordability benchmark



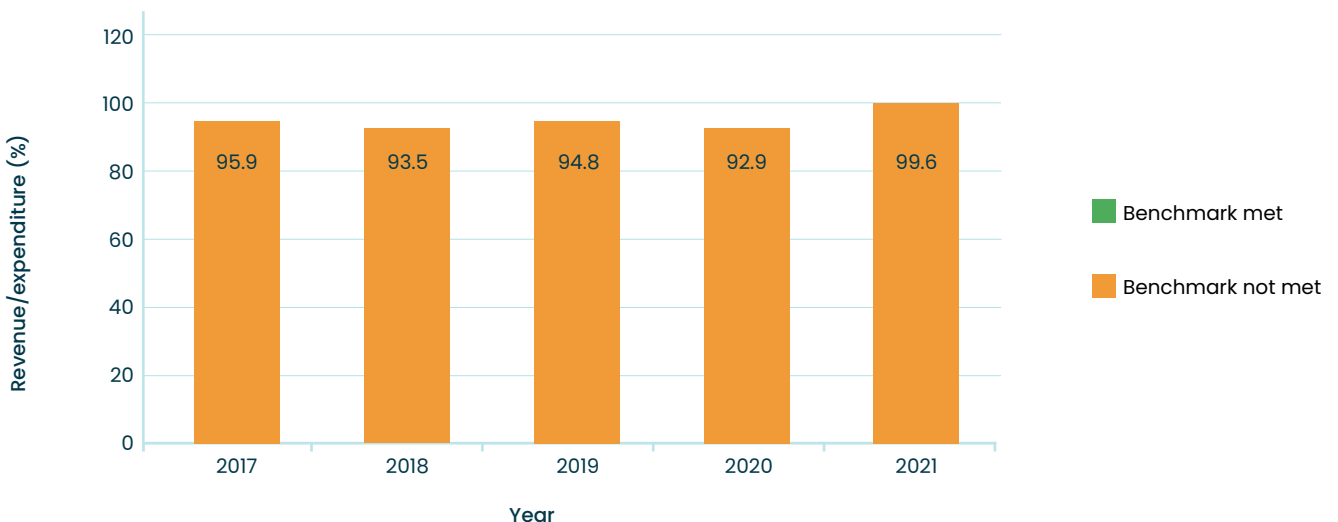
## Paerewa taurite ahumoni

### Balanced budget benchmark

The following graph displays council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property,

plant or equipment). Council meets this benchmark if its revenue equals or is greater than its operating expenses. In our 10-year plan 2021-2031 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 to ratepayers, council will move towards this over a number of years.

### Balanced budget benchmark

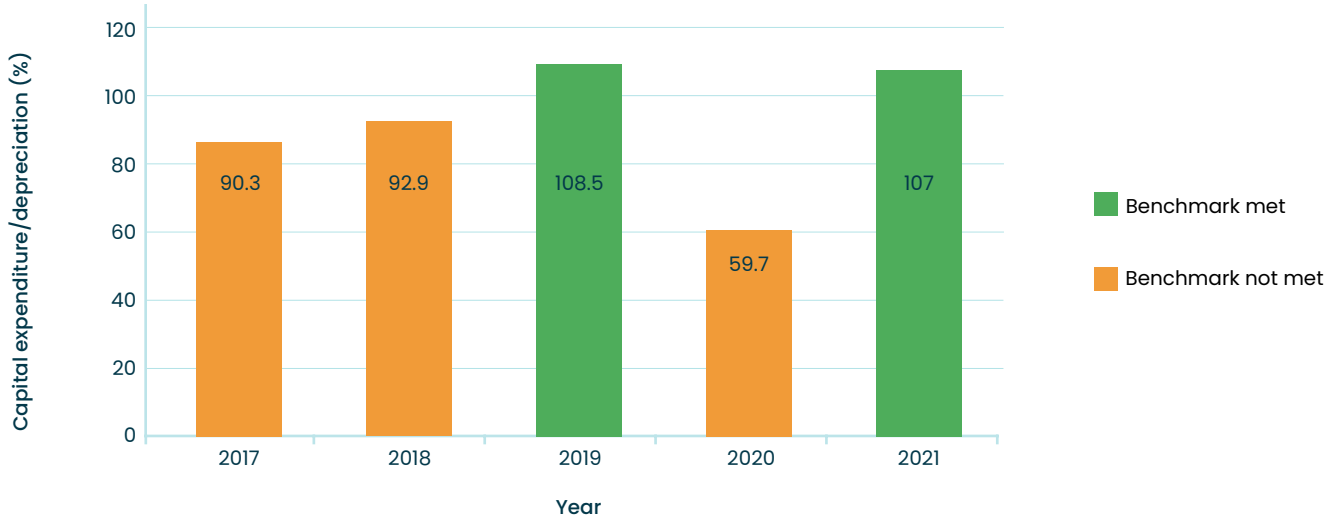


**Paerewa ratonga matua**  
Essential services benchmark

The following graph displays council’s capital expenditure on network services as a proportion of depreciation on network services.

Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.

**Essential services benchmark**

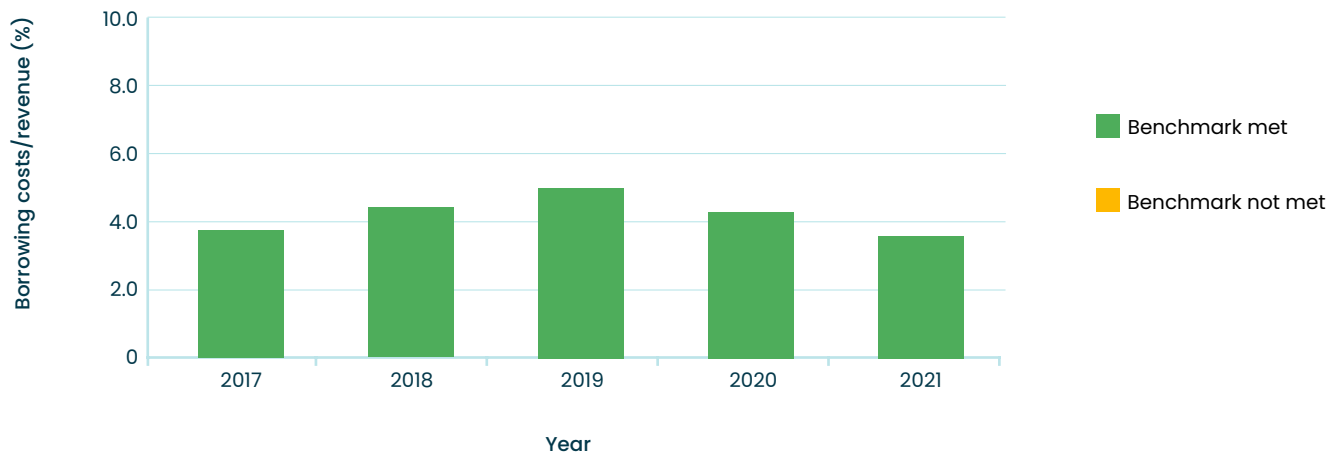


**Paerewa whakaea pūtea tārewa**  
Debt serving benchmark

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

Statistics New Zealand projects Lower Hutt’s population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equals or is less than 10% of its revenue.

**Debt servicing benchmark**



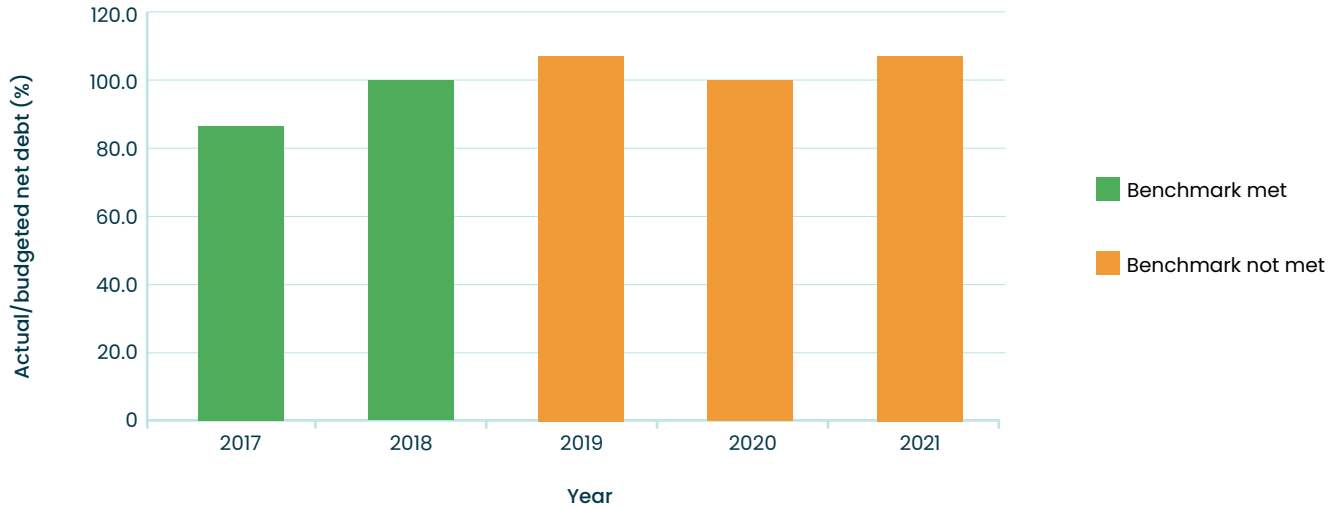
## Paerewa whakahaere pūtea tārewa

### Debt control benchmark

The following graph displays council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade

and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.

### Debt control benchmark



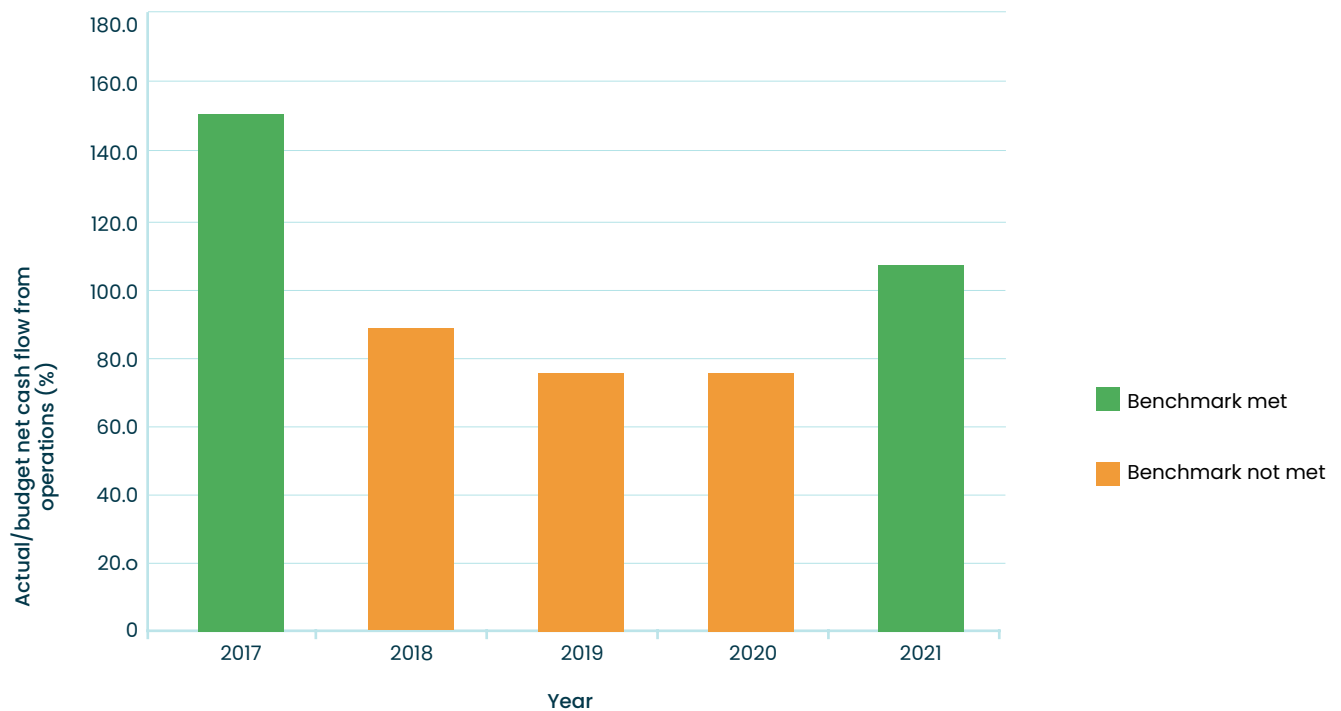
## Paerewa whakahaere mahi

### Operations control benchmark

The following graph displays council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operational

control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.

### Operations control benchmark





# Tauākī pāpātanga tahua

## Funding impact statements

The Funding Impact Statement section contains a summary of how we funded our services and capital expenditure for each

activity and provides a comparison to the Long-term and Annual Plan Budgets

Roads and accessways – Funding impact statement for the year ended 30 June:					
	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	19,673	21,648	20,446	24,399	21,285
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	4,102	4,279	4,086	4,309	4,675
Fees and charges	5,321	4,310	5,438	4,146	5,500
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	987	1,034	1,009	987	1,220
<b>Total operating funding (A)</b>	<b>30,083</b>	<b>31,271</b>	<b>30,979</b>	<b>33,841</b>	<b>32,680</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	13,964	13,373	14,063	14,996	13,741
Finance costs	1,801	1,366	2,064	1,394	1,227
Internal charges and overheads applied	2,779	2,796	2,871	3,142	3,141
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>18,544</b>	<b>17,535</b>	<b>18,998</b>	<b>19,532</b>	<b>18,109</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>11,539</b>	<b>13,736</b>	<b>11,981</b>	<b>14,309</b>	<b>14,571</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	4,542	4,395	9,011	9,377	10,603
Development and financial contributions	96	-	99	350	1
Increase (decrease) in debt	(6,240)	(9,760)	(1,533)	(4,309)	(5,362)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(1,602)</b>	<b>(5,365)</b>	<b>7,577</b>	<b>5,418</b>	<b>5,242</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	3,647	613	336
- to improve level of service	2,880	2,882	8,396	10,443	12,959
- to replace existing assets	7,057	5,489	7,515	8,671	6,518
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>9,937</b>	<b>8,371</b>	<b>19,558</b>	<b>19,727</b>	<b>19,813</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(11,539)</b>	<b>(13,736)</b>	<b>(11,981)</b>	<b>(14,309)</b>	<b>(14,571)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Water supply – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	1,027	-	-	-
Targeted rates	15,115	15,983	15,561	17,321	17,492
Subsidies and grants for operating purposes	-	-	-	-	1,728
Fees and charges	3,198	3,282	3,268	3,325	3,202
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	135	119	116	294
<b>Total operating funding (A)</b>	<b>18,429</b>	<b>20,427</b>	<b>18,948</b>	<b>20,762</b>	<b>22,716</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	13,239	15,250	13,789	15,057	16,766
Finance costs	632	454	591	516	454
Internal charges and overheads applied	479	493	507	397	397
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,350</b>	<b>16,197</b>	<b>14,887</b>	<b>15,970</b>	<b>17,617</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,079</b>	<b>4,230</b>	<b>4,061</b>	<b>4,792</b>	<b>5,099</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	69	9	71	175	26
Increase (decrease) in debt	(372)	(81)	(2,573)	426	57
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(303)</b>	<b>(72)</b>	<b>(2,502)</b>	<b>601</b>	<b>83</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	448	416	17	294	155
- to improve level of service	1,390	1,520	504	2,017	962
- to replace existing assets	1,938	2,222	1,038	3,082	4,065
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,776</b>	<b>4,158</b>	<b>1,559</b>	<b>5,393</b>	<b>5,182</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,079)</b>	<b>(4,230)</b>	<b>(4,061)</b>	<b>(4,792)</b>	<b>(5,099)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Wastewater – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	-	543	-	-	-
Targeted rates	18,063	18,260	18,598	19,575	19,856
Subsidies and grants for operating purposes	2,568	2,397	2,625	2,113	2,938
Fees and charges	1,057	1,200	1,080	1,057	1,259
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	124	119	116	478
<b>Total operating funding (A)</b>	<b>21,804</b>	<b>22,524</b>	<b>22,422</b>	<b>22,861</b>	<b>24,531</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	12,288	12,767	12,563	12,204	13,114
Finance costs	831	608	1,206	682	600
Internal charges and overheads applied	986	1,000	1,030	858	858
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>14,105</b>	<b>14,375</b>	<b>14,799</b>	<b>13,744</b>	<b>14,572</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>7,699</b>	<b>8,149</b>	<b>7,623</b>	<b>9,117</b>	<b>9,959</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	958	1,046	5,572	4,701	2,431
Development and financial contributions	838	819	856	2,027	1,344
Increase (decrease) in debt	(3,341)	(4,581)	6,863	3,140	1,593
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(1,545)</b>	<b>(2,716)</b>	<b>13,291</b>	<b>9,868</b>	<b>5,368</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	2,303	2,496	13,107	9,474	4,800
- to improve level of service	603	615	4,848	4,061	2,079
- to replace existing assets	3,248	2,322	2,959	5,450	8,448
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>6,154</b>	<b>5,433</b>	<b>20,914</b>	<b>18,985</b>	<b>15,327</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(7,699)</b>	<b>(8,149)</b>	<b>(7,623)</b>	<b>(9,117)</b>	<b>(9,959)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Stormwater – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	8,633	9,036	8,743	9,632	8,047
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	9	5	9	8	654
Fees and charges	12	22	12	12	30
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	70	119	116	551
<b>Total operating funding (A)</b>	<b>8,770</b>	<b>9,133</b>	<b>8,883</b>	<b>9,768</b>	<b>9,282</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	3,788	4,172	3,875	4,230	4,334
Finance costs	367	260	436	311	274
Internal charges and overheads applied	360	368	373	243	243
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>4,515</b>	<b>4,800</b>	<b>4,684</b>	<b>4,784</b>	<b>4,851</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>4,255</b>	<b>4,333</b>	<b>4,199</b>	<b>4,984</b>	<b>4,431</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	79	1	80	250	7
Increase (decrease) in debt	(2,428)	(2,088)	85	1,042	(56)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(2,349)</b>	<b>(2,087)</b>	<b>165</b>	<b>1,292</b>	<b>(49)</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	109	152	282	458	276
- to improve level of service	490	1,347	3,599	4,209	2,621
- to replace existing assets	1,307	747	483	1,609	1,485
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,906</b>	<b>2,246</b>	<b>4,364</b>	<b>6,276</b>	<b>4,382</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(4,255)</b>	<b>(4,333)</b>	<b>(4,199)</b>	<b>(4,984)</b>	<b>(4,431)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Solid waste – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	(6,991)	(4,686)	(7,024)	(5,514)	(5,181)
Targeted rates	1,364	1,344	1,393	1,337	1,357
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	14,249	15,878	14,562	15,155	19,343
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	515	19	526	5	(25)
<b>Total operating funding (A)</b>	<b>9,137</b>	<b>12,555</b>	<b>9,457</b>	<b>10,983</b>	<b>15,494</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	7,367	10,614	7,528	8,908	13,336
Finance costs	417	576	477	656	594
Internal charges and overheads applied	305	318	333	368	368
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>8,089</b>	<b>11,508</b>	<b>8,338</b>	<b>9,932</b>	<b>14,299</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>1,048</b>	<b>1,047</b>	<b>1,119</b>	<b>1,051</b>	<b>1,195</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	2,880	4,022	8,102	3,353	6,887
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>2,880</b>	<b>4,022</b>	<b>8,102</b>	<b>3,353</b>	<b>6,887</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	3,928	5,069	9,221	4,404	8,083
- to replace existing assets	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>3,928</b>	<b>5,069</b>	<b>9,221</b>	<b>4,404</b>	<b>8,083</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(1,048)</b>	<b>(1,047)</b>	<b>(1,119)</b>	<b>(1,051)</b>	<b>(1,195)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## City growth – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	17,206	15,126	16,222	16,960	14,194
Targeted rates	140	137	143	139	139
Subsidies and grants for operating purposes	56	196	57	20	-
Fees and charges	5,893	7,418	6,084	7,976	8,641
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,578	1,348	1,612	1,370	1,469
<b>Total operating funding (A)</b>	<b>24,873</b>	<b>24,225</b>	<b>24,118</b>	<b>26,465</b>	<b>24,443</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	17,173	20,782	14,990	20,180	19,023
Finance costs	2,047	38	1,961	333	293
Internal charges and overheads applied	3,150	3,303	3,195	5,062	5,063
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>22,370</b>	<b>24,123</b>	<b>20,146</b>	<b>25,575</b>	<b>24,378</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>2,503</b>	<b>102</b>	<b>3,972</b>	<b>890</b>	<b>65</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	5,721	4,455	2,719	7,009	3,560
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>5,721</b>	<b>4,455</b>	<b>2,719</b>	<b>7,009</b>	<b>3,560</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	5,067	-	3,168	1,450	381
- to improve level of service	3,137	4,557	3,440	6,449	3,244
- to replace existing assets	20	-	83	-	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>8,224</b>	<b>4,557</b>	<b>6,691</b>	<b>7,899</b>	<b>3,625</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(2,503)</b>	<b>(102)</b>	<b>(3,972)</b>	<b>(890)</b>	<b>(65)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Leisure and Wellbeing – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	42,783	41,594	40,348	47,160	40,707
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	126	271	129	113	277
Fees and charges	8,914	6,466	7,963	7,209	8,779
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,609	4,003	1,645	2,203	1,896
<b>Total operating funding (A)</b>	<b>53,432</b>	<b>52,334</b>	<b>50,085</b>	<b>56,685</b>	<b>51,659</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	39,399	35,772	35,775	39,388	34,983
Finance costs	2,527	3,292	2,632	2,714	2,388
Internal charges and overheads applied	5,040	5,705	5,154	6,709	6,709
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>46,966</b>	<b>44,769</b>	<b>43,561</b>	<b>48,811</b>	<b>44,081</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>6,466</b>	<b>7,565</b>	<b>6,524</b>	<b>7,874</b>	<b>7,578</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	7,157	(2,696)	9,148	3,234	(1,050)
Gross proceeds from sale of assets	510	2,238	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>7,667</b>	<b>(458)</b>	<b>9,148</b>	<b>3,234</b>	<b>(1,050)</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	11,167	4,721	11,367	7,020	4,097
- to replace existing assets	2,966	2,386	4,305	4,088	2,431
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>14,133</b>	<b>7,107</b>	<b>15,672</b>	<b>11,108</b>	<b>6,528</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(6,466)</b>	<b>(7,565)</b>	<b>(6,524)</b>	<b>(7,874)</b>	<b>(7,578)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

## Sustainability – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	1,335	1,138	1,156	1,716	2,165
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	53	-
Fees and charges	-	-	-	-	-
Internal charges and overheads recovered	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	419	557	428	415	450
<b>Total operating funding (A)</b>	<b>1,754</b>	<b>1,695</b>	<b>1,584</b>	<b>2,184</b>	<b>2,615</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	1,600	1,531	1,427	1,793	2,251
Finance costs	1	5	1	6	5
Internal charges and overheads applied	150	153	154	352	352
Other operating funding applications	-	-	-	-	-
<b>Total applications of operating funding (B)</b>	<b>1,751</b>	<b>1,689</b>	<b>1,582</b>	<b>2,151</b>	<b>2,609</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>3</b>	<b>6</b>	<b>2</b>	<b>33</b>	<b>5</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	(3)	139	(2)	327	(5)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>(3)</b>	<b>139</b>	<b>(2)</b>	<b>327</b>	<b>(5)</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	-	145	-	250	-
- to replace existing assets	-	-	-	110	-
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>-</b>	<b>145</b>	<b>-</b>	<b>360</b>	<b>-</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(3)</b>	<b>(6)</b>	<b>(2)</b>	<b>(33)</b>	<b>(5)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



## Governance, Engagement, & Organisation – Funding impact statement for the year ended 30 June:

	2018–28 LTP (Year 2) 2020	Actual 2020	2018–28 LTP (Year 3) 2021	Budget 2021	Actual 2021
	\$000	\$000	\$000	\$000	\$000
<b>Sources of operating funding</b>					
General rates, uniform annual general charges, rates penalties	(9,254)	(12,727)	(4,818)	(19,471)	(5,679)
Targeted rates	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-
Fees and charges	963	1,094	984	1,081	1,048
Internal charges and overheads recovered	16,625	17,519	17,079	20,953	20,953
Local authorities fuel tax, fines, infringement fees, and other receipts	1,397	1,984	1,210	1,165	15,163
<b>Total operating funding (A)</b>	<b>9,731</b>	<b>7,870</b>	<b>14,455</b>	<b>3,728</b>	<b>31,485</b>
<b>Applications of operating funding</b>					
Payments to staff and suppliers	13,828	18,612	13,978	18,785	22,471
Finance costs	1,107	807	1,110	1,586	1,596
Internal charges and overheads applied	3,376	3,383	3,462	3,822	3,822
Other operating funding applications	-	10,147	-	-	-
<b>Total applications of operating funding (B)</b>	<b>18,311</b>	<b>32,949</b>	<b>18,550</b>	<b>24,193</b>	<b>27,889</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>(8,580)</b>	<b>(25,079)</b>	<b>(4,095)</b>	<b>(20,465)</b>	<b>3,596</b>
<b>Sources of capital funding</b>					
Subsidies and grants for capital expenditure	-	-	-	-	-
Development and financial contributions	-	-	-	-	-
Increase (decrease) in debt	10,085	26,737	5,596	26,970	(1,467)
Gross proceeds from sale of assets	-	-	-	-	-
Lump sum contributions	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>10,085</b>	<b>26,737</b>	<b>5,596</b>	<b>26,970</b>	<b>(1,467)</b>
<b>Application of capital funding</b>					
Capital expenditure					
- to meet additional demand	-	-	-	-	-
- to improve level of service	638	776	631	4,872	1,802
- to replace existing assets	867	882	870	1,633	327
Increase (decrease) in reserves	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-
<b>Total applications of capital funding (D)</b>	<b>1,505</b>	<b>1,658</b>	<b>1,501</b>	<b>6,505</b>	<b>2,129</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>8,580</b>	<b>25,079</b>	<b>4,095</b>	<b>20,465</b>	<b>(3,596)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

Note: for 2020-21 Actual under "Local authorities fuel tax, fines, infringement fees, and other receipts" the amount includes \$13,698k for Gains on Revaluation of Financial Instruments.

**Funding impact statement**  
For the year ending 30 June 2021

	Council					
	Actual 2021 \$000	LTP 2021 \$000	Annual Plan 2021 \$000	Actual 2020 \$000	LTP 2020 \$000	Annual Plan 2020 \$000
<b>Sources of operating funding</b>						
General rates, uniform annual general charges, rates penalties	75,160	75,073	74,882	72,699	73,389	72,407
Targeted rates	38,844	35,695	38,372	35,724	34,679	35,660
Subsidies and grants for operating purposes	10,272	6,906	6,616	7,148	6,861	6,913
Fees and charges	47,802	39,391	39,961	39,670	39,607	41,840
Interest and dividends from investments	988	995	802	1,413	982	982
Local authorities fuel tax, fines, infringement fees, and other receipts	20,508	5,792	5,691	7,861	5,871	5,944
<b>Total operating funding (A)</b>	<b>193,574</b>	<b>163,852</b>	<b>166,324</b>	<b>164,515</b>	<b>161,389</b>	<b>163,746</b>
<b>Applications of operating funding</b>						
Payments to staff and suppliers	140,020	117,988	135,541	132,873	122,646	137,431
Finance costs	7,432	10,478	8,198	7,406	9,730	8,796
Other operating funding applications	-	-	-	10,147	-	-
<b>Total applications of operating funding (B)</b>	<b>147,451</b>	<b>128,466</b>	<b>143,739</b>	<b>150,426</b>	<b>132,376</b>	<b>146,227</b>
<b>Surplus (deficit) of operating funding (A-B)</b>	<b>46,123</b>	<b>35,386</b>	<b>22,585</b>	<b>14,089</b>	<b>29,013</b>	<b>17,519</b>
<b>Sources of capital funding</b>						
Subsidies and grants for capital expenditure	13,034	14,583	14,078	5,441	5,500	9,686
Development and financial contributions	1,378	1,106	2,802	829	1,082	1,702
Increase (decrease) in debt	4,533	28,405	41,192	36,147	13,459	36,867
Gross proceeds from sale of assets	-	-	-	2,238	510	2,123
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
<b>Total sources of capital funding (C)</b>	<b>18,945</b>	<b>44,094</b>	<b>58,072</b>	<b>44,655</b>	<b>20,550</b>	<b>50,378</b>
<b>Application of capital funding</b>						
Capital expenditure						
- to meet additional demand	5,948	20,221	12,289	3,064	7,927	5,998
- to improve level of service	35,846	42,006	43,725	21,632	24,233	41,972
- to replace existing assets	23,274	17,253	24,643	14,048	17,403	19,927
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	20,000	-	-
<b>Total applications of capital funding (D)</b>	<b>65,068</b>	<b>79,480</b>	<b>80,657</b>	<b>58,744</b>	<b>49,563</b>	<b>67,897</b>
<b>Surplus (deficit) of capital funding (C-D)</b>	<b>(46,123)</b>	<b>(35,386)</b>	<b>(22,585)</b>	<b>(14,089)</b>	<b>(29,013)</b>	<b>(17,519)</b>
<b>Funding balance ((A-B)+(C-D))</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>



# Āpitihangā Appendices

# 4









# Kuputaka

## Glossary

Term	Definition
<b>Annual Plan</b>	A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.
<b>Asset</b>	Something of value that Council owns on behalf of the people of Lower Hutt, such as roads, drains, parks and buildings
<b>Asset Management Plan</b>	A Long Term Plan for managing an asset to ensure that: <ul style="list-style-type: none"> <li>• It continues to have the capacity to provide an agreed level of service</li> <li>• Costs over the life of the asset are minimised.</li> </ul>
<b>Capital expenditure</b>	Money spent on acquiring or building long-term Council assets.
<b>Community boards</b>	A local elected body set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.
<b>Community Panels</b>	Community Panels replaced the previous community committee structure. Their role was to represent and act as an advocate for the interests of their communities. Hutt City Council had four community panels in the Central, Eastern, Northern and Western ward communities. Community panels were disestablished following the October 2019 triennial elections. On 26 May 2020 Council agreed to establish Community Funding Panels.
<b>Community Outcome</b>	An outcome for the community that Council has identified as a priority.
<b>Council Controlled Organisation (CCO)</b>	A company, in which Council is at least a 50 per cent shareholder that independently manages facilities, delivers services and undertakes developments on behalf of the Lower Hutt community. Where necessary, Council funds these organisations.
<b>Employee Costs</b>	The costs of all staff expenditure – wages, salaries and related taxes, training and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading. This does not include CCO director fees, which are included in operating expenditure.
<b>Financial Year</b>	Council's financial year runs from 1 July to 30 June of the following year.
<b>The Hutt City Community Facilities Trust (CFT)</b>	This was a council controlled organisation which was established with the aim of leading a rejuvenation and development of key community and sporting facilities within Lower Hutt. It was wound down in June 2021, when the major work programme had been completed, with Council taking on responsibility for the facilities.
<b>Land Value</b>	The value of land excluding any improvements.
<b>Local Government Act 2002</b>	The key legislation that defines the powers and responsibilities of local authorities like Hutt City Council.
<b>Long Term Plan (LTP)</b>	A plan that describes the activities of a local authority, its community outcomes and its long-term focus in terms of decisions and activities. This is equivalent to our 10 Year Plan.
<b>Maintenance costs</b>	Money spent to keep the Council's assets in working condition, such as repairs and maintenance.

Term	Definition
<b>Mana Whenua</b>	Māori who have historic and territorial rights over the land. Mana whenua refers to iwi and hapū who have these rights in Te Awa Kairangi ki Tai, Lower Hutt. The tribe's history and legends are based in the lands they have occupied over generations and the land provides the sustenance for the people and to provide
<b>Ngāti Toa Rangatira</b>	An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt. Originally living in the Kāwhia area on the North Island's west coast, Ngāti Toa Rangatira (also known as Ngāti Toa) lands are now largely in the south-western North Island centred around Porirua and the Kāpiti Coast. The northernmost point of the Ngāti Toa Rangatira rohe is considered to be Whangaehu, extending south on the west coast of the North Island and encompassing Te Moana o Raukawa (Cook Strait). In Te Waipounamu (the South Island), the rohe extends to the Arahura River, its southernmost point on the West Coast, and Kaikōura on the Eastern Coast.
<b>Not Measured (NM)</b>	Not be able to be measured objectively.
<b>Operating Expenditure</b>	Money spent on the day-to-day operations of the Council.
<b>Operating Projects</b>	Significant Projects that do not result in the creation of Council assets
<b>Performance Measure</b>	A measure that shows how well Council is doing in achieving the goals it has set for itself.
<b>Rates</b>	Funds collected by Council from levies on property. These are based on the capital value of the property, but the term is often used to also include targeted rates.
<b>Seaview Marina Limited (SML)</b>	This is a council controlled organisation which is Wellington's newest and fastest developing marina, situated at the sheltered northeast end of Wellington harbour.
<b>Significance</b>	The degree of importance of an issue, proposal, decision or matter as assessed by a local authority in terms of its likely consequences for the current and future social, economic, environmental or cultural wellbeing of the community.
<b>Significant Activity</b>	An activity deemed to be significant according to Council's Significance and Engagement Policy. Currently The Long Term Plan and Annual Plan list 31 separate significant activities that fall within 12 groups of activities.
<b>Support costs</b>	The internal allocation of expenditure incurred for running the Council that isn't attributable directly to other activities.
<b>Targeted rate</b>	Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater, refuse and recycling, and the Jackson Street Programme.
<b>Te Āti Awa</b>	An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt, and Te Upoko o Te Ika a Māui, the wider Wellington region. Te Āti Awa in this region share close kinship to Te Āti Awa in Northern Taranaki, Kāpiti and the northern areas of the South Island
<b>Urban Plus Limited (UPL) &amp; Urban Plus Limited Developments Limited (UPLDL)</b>	This is a council controlled organisation which is a multi-disciplined property company. They provide high quality residential property development, rental housing portfolio management and strategic property services.
<b>User charges</b>	Income to Council through fees paid by those who use specific services Council provides
<b>Unmeasured (UM)</b>	Data not collected for this period

# Te mana whakahaere kaunihera

## Council governance

Hutt City Council is made up of 12 Councillors and a Mayor. Along with all other local authorities in New Zealand, Council is elected every three years. The Mayor and six Councillors are elected on a city-wide basis and six Councillors are elected to represent

their respective wards, while working in the best interests of the city as a whole. There are six wards – Northern, Eastern, Central, Western, Harbour and Wainuiomata – each with one Councillor.

### Tō koutou Koromatua me ngā Kaikaunihera

#### Your Mayor and Councillors

Hutt City Council has 12<sup>1</sup> elected Councillors and a Mayor who represent our Lower Hutt community. Council adopted a new committee structure on 10 December 2019 and reviewed the structure on 10 December 2020<sup>2</sup>. Council conducts its business at open and publicly advertised meetings. All Councillors are members of the Policy, Finance and Strategy Committee, the Long Term Plan/Annual Plan Subcommittee and the Communities Committee.

They also sit on various working groups. The Mayor is a member of all Council committees. Councillors also have responsibilities in the wider community. They sit as Council-appointed representatives on various trusts and organisations that Council has an interest in, on Council Controlled Organisation boards and on committees that have members from the region's other territorial local authorities.



#### Koromatua | Mayor Campbell Barry

**Membership:** Council (Chair), Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Infrastructure and Regulatory Committee; Climate Change and Sustainability Committee; Audit and Risk Subcommittee (Deputy Chair); Chief Executive's Employment Subcommittee (Chair); Code of Conduct Subcommittee (Chair); Wellington Water Committee (Chair); Regional Transport Committee; Wellington Region Civil Defence Emergency Management Group Joint Committee; Wellington Regional Amenities Fund Joint Committee; Manaaki Ability Trust (Patron); Property Working Group Advancing Strategic Projects (Chair); Long Term Plan Working Three Waters Steering Group; Wellington Regional Leadership Committee. Group Emergency Committee (Chair); Zone 4 Representative Young Elected Members Committee; Major Projects Board.

**Contact:** [campbell.barry@huttcity.govt.nz](mailto:campbell.barry@huttcity.govt.nz)

**Phone:** 04 570 6666



#### Koromatua Tuarua | Deputy Mayor Tui Lewis

#### Kaikaunihera ki te Whanganui

#### Harbour Ward Councillor

**Membership:** Council (Deputy Chair), Communities Committee (Chair), Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, District Plan Review Subcommittee (Deputy Chair); Climate Change & Sustainability Committee, Chief Executive's Employment Subcommittee (Deputy Chair); Traffic Subcommittee (Alternate); Eastbourne Community Board; Petone Community Board; Hutt Valley Flood Management Subcommittee; Whaitua Te-Whanganui-a-Tara; Petone 2040; Property Working Group Advancing Strategic Projects; Wellington Water Committee (Alternate); Wellington Region Civil Defence Emergency Management Group Joint Committee (Alternate); Long Term Plan Working Group; Major Projects Board; Wellington Regional Leadership Committee (alternate).

**Contact:** [tui.lewis@huttcity.govt.nz](mailto:tui.lewis@huttcity.govt.nz)

**Mobile:** 021 271 6249



**Kaikaunihera | Councillor Josh Briggs**  
**Kaikaunihera o Te Tāone Whānui**  
 City Wide Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/ Annual Plan Subcommittee, Climate Change and Sustainability Committee (Chair); Traffic Subcommittee (Deputy Chair); Audit and Risk Subcommittee; Chief Executive’s Employment Subcommittee; Hutt Valley Services Committee (Deputy Chair); LGNZ Zone 4; Epuni Care and Protection Facility; Wellington Region Climate Change Forum (Alternate); Major Projects Board; Central Community Funding Panel (alternate); Northern Community Funding Panel (alternate); Long Term Plan Working Group.

**Contact:** josh.briggs@huttcity.govt.nz  
**Mobile:** 021 686 830



**Kaikaunihera | Councillor Naomi Shaw**  
**Kaikaunihera o Te Tāone Whānui**  
 City Wide Councillor

**Membership:** Council, Communities Committee (Deputy Chair), Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Climate Change and Sustainability Committee; Infrastructure and Regulatory Committee; Traffic Subcommittee; Audit and Risk Subcommittee; District Plan Review Subcommittee; Hutt Valley Services Committee; Wellington Regional Amenities Fund Joint Committee (Alternate); Fraser Park Working Group; Hutt City Community Facilities Trust (from February 2020); Northern Community Funding Panel.

**Contact:** naomi.shaw@huttcity.govt.nz  
**Mobile:** 021 537 068



**Kaikaunihera | Councillor Deborah Hislop**  
**Kaikaunihera o Te Tāone Whānui**  
 City Wide Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/ Annual Plan Subcommittee, Infrastructure and Regulatory Committee (Chair); Traffic Subcommittee (Alternate); Chief Executive’s Employment Subcommittee; Property Working Group for Advancing Strategic Projects; Long Term Plan Working Group; Seaview Marina Limited; Major Projects Board; Central Community Funding Panel.

**Contact:** deborah.hislop@huttcity.govt.nz  
**Mobile:** 027 457 0567



**Kaikaunihera | Councillor Keri Brown**  
**Kaikaunihera o Wainuiomata**  
 Wainuiomata Ward Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee (Deputy Chair), Long Term Plan/Annual Plan Subcommittee Infrastructure and Regulatory Committee; Climate Change and Sustainability Committee; District Plan Review Subcommittee; Traffic Subcommittee; District Licensing Committee; Wainuiomata Community Board; Cycleways Project Group; Urban Plus Limited (from February 2020).

**Contact:** keri.brown@huttcity.govt.nz  
**Mobile:** 021 829 559

1. David Basset served as Central Ward Councillor up until 14 June 2021. A by-election was held and Glenda Barratt was elected as the new Central Ward Councillor on 28 September 2021.

2. See section 8 Operating Costs in the Notes to the Financial Statements for details of Councillor and Community Board member remuneration on pages 149-154.





**Kaikaunihera | Councillor Simon Edwards**  
**Kaikaunihera o Te Tāone Whānui**  
 City Wide Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee (Chair), Long Term Plan/Annual Plan Subcommittee, Audit and Risk Subcommittee; Climate Change and Sustainability Committee; District Licensing Committee (Chair); District Plan Review Subcommittee (Chair); Chief Executive's Employment Subcommittee; Hutt Valley Flood Management Subcommittee; Wellington Region Waste Management and Minimisation Joint Committee ; Property Working Group for Advancing Strategic Projects; LGNZ Zone 4 (Alternate) Long Term Plan Working Group; Major Projects Board; Western Community Funding Panel.

**Contact:** [simon.edwards@huttcity.govt.nz](mailto:simon.edwards@huttcity.govt.nz)  
**Mobile:** 027 484 8892



**Kaikaunihera | Councillor Brady Dyer**  
**Kaikaunihera o Te Tāone Whānui**  
 City Wide Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Infrastructure and Regulatory Committee; District Plan Review Subcommittee; Traffic Subcommittee (Chair); Hutt Valley Services Committee; LGNZ Zone 4; Creative Communities Panel; Safe Hutt Valley Governance Group; Regional Transport Committee (Alternate); Petone 2040 (Alternate); Hutt Minoh House Friendship Trust (Chair); Eastern Community Funding Panel (Alternate); Western Community Funding Panel (Alternate).

**Contact:** [brady.dyer@huttcity.govt.nz](mailto:brady.dyer@huttcity.govt.nz)  
**Mobile:** 021 246 8888



**Kaikaunihera | Councillor Andy Mitchell**  
**Kaikaunihera ki Te Rāwhiti**  
 Eastern Ward Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Climate Change and Sustainability Committee; Infrastructure and Regulatory Committee (Deputy Chair); Traffic Subcommittee; Audit and Risk Subcommittee; Wellington Region Climate Change Forum; Wellington Region Waste Forum (Chair), Wellington Region Waste Management and Minimisation Joint Committee (Alternate), Whakatupu Naenae Community Advisory Group (Chair); Keep Hutt City Beautiful Executive Committee; Eastern Community Funding Panel.

**Contact:** [andy.mitchell@huttcity.govt.nz](mailto:andy.mitchell@huttcity.govt.nz)  
**Mobile:** 021 136 1589



**Kaikaunihera | Councillor Shazly Rasheed**  
**Kaikaunihera o Te Tāone Whānui**  
 City Wide Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Audit and Risk Subcommittee; Climate Change and Sustainability Committee (Deputy Chair); Traffic Subcommittee (Alternate); District Licensing Committee (Deputy Chair); Creative Communities Panel; Safe Hutt Valley Governance Group; Epunu Care and Protection Facility; Hutt Valley Services Committee; Eastern Community Funding Panel.

**Contact:** [shazly.rasheed@huttcity.govt.nz](mailto:shazly.rasheed@huttcity.govt.nz)  
**Mobile:** 021 266 4822



**Kaikaunihera | Councillor Leigh Sutton**  
**Kaikaunihera ki Te Raki**  
 Northern Ward Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Infrastructure and Regulatory Committee ; Hutt Valley Services Committee (Alternate); Lender of the Last Resort Trust Board; LGNZ Zone 4 (Alternate); Northern Community Funding Panel.

**Contact:** leigh.sutton@huttcity.govt.nz  
**Mobile:** 027 306 8362

**Komiti matua**  
 Key committees

Council has set up a number of standing committees made up of elected members to monitor and assist in the effective discharging of specific responsibilities. Council can also set up subcommittees or working groups to deal with various other functions and activities.

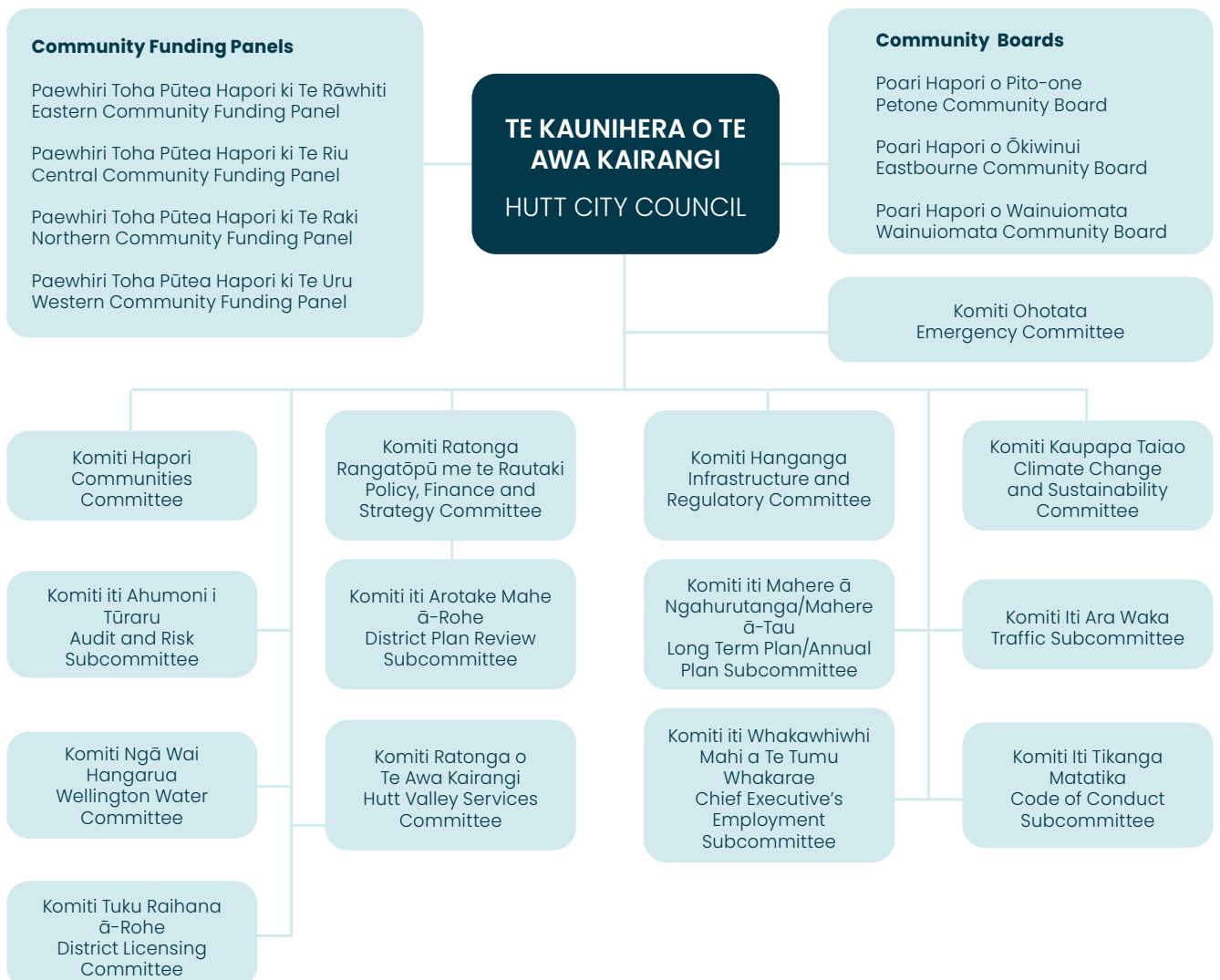


**Kaikaunihera | Councillor Chris Milne**  
**Kaikaunihera ki Te Uru**  
 Western Ward Councillor

**Membership:** Council, Communities Committee, Policy, Finance and Strategy Committee, Long Term Plan/Annual Plan Subcommittee, Western Community Funding Panel.

**Contact:** chris.milne@huttcity.govt.nz  
**Mobile:** 027 442 2708

See [huttcity.govt.nz/council/meet-your-council](http://huttcity.govt.nz/council/meet-your-council) for information about the committees and external appointments for each elected member.



## **Komiti Hanganga** Infrastructure and Regulatory Committee

This committee considers matters relating to the regulatory and quasi-judicial responsibilities of the council under council's bylaws and relevant legislation, including the following:

- Local Government Act 2002
- Public Works Act 1981
- Reserves Act 1977
- Resource Management Act 1991
- Sale and Supply of Alcohol Act 2012.

## **Komiti Ratonga Rangatōpū me te Rautaki** Policy, Finance and Strategy Committee

This committee assists the council in setting the broad vision and direction of the city in order to promote the social, economic, environmental and cultural wellbeing of the city's communities in the present and for the future.

## **Komiti Hapori** Communities Committee

This committee has an operational focus, to monitor the contribution made by strategies and policies implemented by council to promote the social, economic, environmental and cultural wellbeing of the city's communities in the present and for the future.

## **Komiti Kaupapa Taiao** Climate Change and Sustainability Committee

This committee was established to develop, implement, monitor and review strategies, policies, plans and functions associated with environmental and climate change activities.

## **Komiti Ohotata** Emergency Committee

This committee was established to determine matters within the authority of council during the COVID-19 pandemic response.

## **Komiti Tuku Raihana ā-Rohe** District Licensing Committee

This committee was formed under the Sale and Supply of Alcohol Act 2012.

## **Komiti Iti Mahere ā-Ngahurutanga / Mahere ā-Tau** Komiti Iti Mahere ā-Ngahurutanga / Mahere ā-Tau Long Term Plan / Annual Plan Subcommittee

This subcommittee carries out all necessary considerations and hearings, prior to the council's final adoption of Long Term Plans and Annual Plans, which give effect to the strategic direction and outcomes set by the Policy, Finance and Strategy Committee through setting levels of service, funding priorities, the performance framework and budgets.

## **Komiti Iti Arotake Mahere ā-Rohe** District Plan Review Subcommittee

This subcommittee is responsible for considering and making recommendations to council on matters to be addressed in the full review of the District Plan and development of a Proposed District Plan.

## **Komiti Iti Ara Waka** Traffic Subcommittee

This subcommittee is responsible for considering and making recommendations to council on traffic matters, and considers any traffic matters referred to it by council.

## **Komiti Iti Ahumoni i Tūrarū** Audit and Risk Subcommittee

This subcommittee provides objective advice and recommendations around the sufficiency, quality and results of assurance over the Council's financial management practices, risk management, internal control systems and governance frameworks.

## **Komiti Iti Tikanga Matatika** Code of Conduct Subcommittee

This committee meets as needed to carry out hearings and make decisions on material breaches of council's code of conduct.

## **Komiti Iti Whakawhiwhi Mahi a Te Tumu** Whakarāe Chief Executive's Employment Subcommittee

*This subcommittee is responsible for managing the Chief Executive's performance agreement and monitoring the Chief Executive's performance.*

## **Pōari Hapori o Ōkiwinui** Eastbourne Community Board

*Chair: Virginia Horrocks, Deputy Chair: Belinda Moss, Members: Murray Gibbons, Bruce Spedding, Frank Vickers and Deputy Mayor Tui Lewis. The Eastbourne Community Board met four times in 2020-21.*

## **Pōari Hapori o Pito-one** Petone Community Board

*Chair: Pam Hanna, Deputy Chair: Mike Fisher, Members: Mike Henderson, Matt Roberts, Karen (Kaz) Yung, Alex Voutratzis and Deputy Mayor Tui Lewis. The Petone Community Board met five times in 2020-21.*

## Poari Hapori o Wainuiomata Wainuiomata Community Board

Chair: Gabriel Tupou, Deputy Chair: Dawn McKinley, Members: Terry Stallworth, Gary Sue, Sisi Tuala-Le'afa, Jodie Winterburn and Cr Keri Brown. The Wainuiomata Community Board met six times in 2020-21.

## Ngā paewhiri toha pūtea hapori Community funding panels

This year, council established four community funding panels in the Central, Eastern, Northern and Western ward communities (following the disestablishment of the previous four community panels in October 2019). Each panel consists of up to five community representatives along with the ward councillor, a city-wide councillor and an alternate city-wide councillor (appointed to attend meetings as required or in the absence of the sitting city-wide councillor).

The purpose of the panels is that of community funders focussed on supporting local projects and initiatives in their communities. Their function is to:

- *allocate and manage a Local Community Projects Fund*
- *allocate and manage the Local Community Engagement Fund for the Central, Eastern, Northern and Western wards to assist and support local community events and initiatives.*

The panels funded two community asset projects for a total cost of \$40,503 in 2020-2021.

## Ngā poari hapori Community Boards

Council also has three Community Boards covering Eastbourne, Petone and Wainuiomata. These Boards are constituted under section 49 of the Local Government Act 2002 to:

- *represent and act as an advocate for the interests of their community*
- *consider and report on any matter referred by Council and any issues of interest or concern to the Community Board*
- *make an annual submission to Council on expenditure in the community*
- *maintain an overview of services provided by Council within the community*
- *communicate with community organisations and special interest groups*
- *undertake any responsibilities delegated by Council.*

Each Community Board has up to six members elected triennially by the electors in the respective communities, plus the ward Councillor. The only exception is Eastbourne Community Board which has five members.

The Boards allocate and manage the Community Engagement Fund, which funded 43 applications for a total cost of \$46,849 in 2020-2021.





# Hō mātou rangapū hāpori, rangapū pakihi

## Our community and business partnerships

We can't fulfil our role in the Lower Hutt community on our own, and our success depends largely on working closely with other people. We've forged a number of close and highly productive working relationships with people and groups in our community, including:

- Mana Whenua, marae and Māori
- community groups and individuals
- local and central government agencies
- volunteer organisations and non-government organisations (NGOs)
- contractors, service suppliers, consultants and advisors
- businesses and their representative organisations including working closely with

the Hutt Valley Chamber of Commerce on hosting events and responding to issues relevant to business and to monitor and act on local business surveys. Council has also worked with the Chamber to access connect students and employers and to employ a work broker to get young people into trades training and employment with local businesses.

- partnering with Callaghan Innovation and other stakeholders including Institute of Environmental Science and Research (ESR), GNS, Victoria University of Wellington (VUW) and Wellington NZ who have agreed to explore a number of initiatives including how we support innovation in the provision of infrastructure throughout our city and the wider Wellington region.



## Rāngai Taiao

### Environmental sector

At the end of 2020 Hutt City Council established a lead group made up of Mana Whenua and community representatives to co-design the engagement with our community on how we as a city should respond to climate change. During 2021, facilitated by Creative HQ, over 20 hui were held with the Lower Hutt community to find out what priorities will drive our community response to climate change, and work was under way to develop a city-wide roadmap to net zero by the end of 2021.

## Ratonga tohatoha ōrite

### Shared services

The bulk of our current shared services are in joint operations with Upper Hutt City Council, overseen by the Hutt Valley Services Committee, a joint committee of the two councils. These include Silverstream Landfill, Akatarawa cemetery, the Hutt Valley Trunk Wastewater Network including the Seaview Wastewater Treatment Plant, rural fire response, environmental inspections, food premises verifications, alcohol licensing, noise control, dog control, trade waste and eco design advice.

In addition, we work together to achieve administrative and operating efficiencies in the roading area, participate in the SMART library shared services collaboration, and are part of Wellington Water Limited, a CCO providing water services to the region, owned by Hutt City Council, Upper Hutt City Council, Porirua City Council, Wellington City Council, South Wairarapa District Council and Greater Wellington Regional Council.

Other initiatives underway include joint District Plan changes and the Simpli programme aimed at standardising and simplifying the building consents process. Council also works closely with Upper Hutt City Council on community and economic development initiatives. Emergency Management is coordinated throughout the region by the Wellington Regional Emergency Management Office (WREMO) and is governed by the Civil Defence Emergency Management (CDEM) Group Joint Committee.

## Te mana whakahaere rangatōpū

### Corporate Leadership Team



**JO MILLER**

**Tumu Whakarae**  
Chief Executive



**ANDREA BLACKSHAW**

**Kaihautū Hapori**  
Director of  
Neighbourhoods &  
Communities



**MATT BOGGS**

**Kaihautū Rautaki  
me ngā Hononga**  
Director of Strategy  
and Engagement



**HELEN ORAM**

**Kaihautū Taiao me  
te Whakauka**  
Director of  
Environments &  
Sustainability



**KARA PUKETAPU  
-DENTICE**

**Kaihautū  
Ōhanga me te  
Whanaketanga**  
Director of Economy  
& Development

# Whakapā mai

## Contact details

### Te Kaunihera o Te Awa Kairangi Hutt City Council

**Address:** Administration Building, 30 Laings Road, Lower Hutt

**Postal Address:** Private Bag 31 912, Lower Hutt 5010

**Phone:** 04 570 6666 | 0800 HUTT CITY

**After hours emergencies:** 04 570 6666 | 0800 HUTT CITY

**Email:** [contact@huttcity.govt.nz](mailto:contact@huttcity.govt.nz)

**Website:** [huttcity.govt.nz](http://huttcity.govt.nz)

**Facebook:** [facebook.com/huttcitycouncil](https://facebook.com/huttcitycouncil)

**Twitter:** [twitter.com/huttcitycouncil](https://twitter.com/huttcitycouncil)

**Chief Executive:** Jo Miller

**Email:** [jo.miller@huttcity.govt.nz](mailto:jo.miller@huttcity.govt.nz)

Contact details for our Corporate Leadership Team are available on Council's website:

<https://www.huttcity.govt.nz/council/meet-your-council/executive-team>

### Ngā Pātaka Kōrero Libraries

#### War Memorial Library

Address: 2 Queens Drive, Lower Hutt

Phone: 04 570 6633

#### Eastbourne Community Library

Address: 38 Rimu Street, Eastbourne

Phone: 04 562 8042

#### Moerā Community Library

Address: 107 Randwick Road, Moerā

Phone: 04 568 4720

#### Naenae Community Library

Address: Hillary Court, Naenae

Phone: 04 567 2859

#### Petone Community Library

Address: 7 Britannia Street, Petone

Phone: 04 568 6253

#### Stokes Valley Community Library

Address: Koraunui Stokes Valley Community Hub, 186 Stokes Valley Road, Stokes Valley

Phone: 04 562 9050

#### Taitā Community Library

Address: Walter Nash Centre, 22 Taine Street, Taitā

Phone: 04 567 2767

#### Wainuiomata Community Library

Address: 1 Queen Street, Wainuiomata

Phone: 04 564 5822

### Ngā pokapū hapori Community hubs

#### Walter Nash Centre

Address: 22 Taine Street, Taitā

Phone: 04 560 1090

#### Koraunui Stokes Valley Community Hub

Address: 186 Stokes Valley Road, Stokes Valley

Phone: 04 562 9050

#### Wainuiomata Community Hub

Address: 1A–1C Queen Street

Phone: 04 564 5822

### Ngā puna wai Pools

#### Huia Pool and Fitness

Address: Huia Street, Lower Hutt

Pool phone: 04 570 6655

Fitness suite phone: 04 570 1053

#### Stokes Valley Pool and Fitness

Address: Bowers Street, Stokes Valley

Pool phone: 04 562 9030

Fitness suite phone: 04 562 9030

#### McKenzie Baths Summer Pool

Address: 79 Udy Street, Petone

Phone: 04 568 6563

#### Eastbourne Summer Pool

Address: Marine Parade, Eastbourne

Phone: 04 562 7582

#### Wainuiomata Summer Pool

Address: 2 Moohan Street, Wainuiomata

Phone: 04 564 8780

### Ngā whare tongarewa Museums

#### The Dowse Art Museum

Address: 45 Laings Road, Lower Hutt

Phone: 04 570 6500

#### Petone Settlers Museum

Address: 130 The Esplanade, Petone

Phone: 04 568 8373





The logo for Hutt City Te Awa Kairangi features the words "HUTT CITY" in a bold, white, sans-serif font. A white, curved line swooshes from the bottom left, passing through the letter 'T' in "HUTT" and the letter 'C' in "CITY", and ending at the top right. Below "HUTT CITY", the words "TE AWA KAIRANGI" are written in a smaller, white, sans-serif font.

**HUTT CITY**  
TE AWA KAIRANGI