

Annual Plan 2020-2021

Mahere ā-Tau 2020-2021

Getting us through | Kia tae ki tua

our city,
our community,
our future

to tātou pā,
to tātou hāpori,
to tātou heke mai

HUTT CITY
TE AWA KAIRANGI



ISSN 1171-8390 (Print)
ISSN 2253-3079 (Online)

Contents

Message from the Mayor and Chief Executive	2	Governance, Engagement and Organisation	52
Our Vision for Lower Hutt	4	City Governance	53
Getting Us Through	5	City Leadership	55
Financial Summary	8	Our Community Partnerships	59
Rates Differential (Split)	9	Dollars and Cents	61
Infrastructure	17	Financial Strategy	62
Roading and Accessways	18	Revenue and Financing Policy	68
Water Supply	21	Forecast Financial Statements	77
Wastewater	24	Notes to the Financial Statements	83
Stormwater	27	Prudence Reporting	96
Solid Waste	30	Funding Impact Statements Including Rates for 2020-2021	98
City Growth	32	Fees and Charges for 2020-2021	105
City Environment	33	Definitions	123
City Development	35	Contact Details	125
Consents and Regulatory Services	37		
Leisure and Wellbeing	40		
Integrated Community Services	41		
Parks and Reserves	44		
Community Facilities Development	46		
Sustainability	48		
City Resilience	49		



Message from the Mayor and Chief Executive

Nau mai, rarau mai ki Te Mahere ā-Tau a Te Kaunihera o Te Awa Kairangi 2020-2021

As a Council one of our most important roles is to plan for the future and do everything we can to ensure our people thrive. Earlier this year we were going to consult with our community on major changes to our rubbish and recycling service, additional investments in key infrastructure like roads and cycleways, and changing our financial strategy to put us on a more secure financial footing.

Like the rest of the world, we had to change our plans given the unprecedented situation of Covid-19. As our community faced economic and social uncertainty it was simply not tenable for us to proceed with 'business as usual'.

We pushed pause, so to speak, and stepped back to consider and carefully evaluate our activity over the coming year. We wanted to ensure our decisions supported a recovering economy. So we prepared an Annual Plan and emergency budget focused on three things – getting back to basics, tightening our belt, and getting us through uncertain economic times ahead.

We wanted to strike a balance between continued investment in core infrastructure and services while at the same time scaling back spending to provide some relief to ratepayers. As we consulted our community we heard from several thousand people and received over 200 formal submissions. As Covid-19 restrictions lifted we were pleased to hear from around 40 people who addressed us at the public hearing of formal submissions.

Following the engagement, Council adopted the emergency one-year budget as part of its Annual Plan 2020-2021. The Annual Plan sets out priorities for the year ahead and includes a rates revenue increase of 3.8%. This increase reduces the 7.9% increase signalled earlier this year by more than half. This lower increase was progressed in the face of the challenges arising from Covid-19, and the need to exercise restraint to support our city and people through a tough and challenging period.

While the Annual Plan includes \$3 million of operational savings, investment in core infrastructure is very much front and centre of Council's plans for the next year. Two thirds of the rates increase will go directly towards much needed investment in our water infrastructure. We were told at the start of the year that Council needs to double capital

investment in this area. This year we'll make a start on tackling this enormous challenge, and we will also pick this up as part of next year's Long Term Plan.

Other key initiatives included in the Annual Plan are:

- \$1.5 million to progress the rebuild of Naenae Pool
- \$200,000 to develop an integrated transport plan for Lower Hutt
- \$900,000 for the construction of Te Aroha Mātauranga at Te Whiti Park
- \$1.25 million for the seismic strengthening of Council facilities.

Thank you for your support through this process. We look forward to hearing from you as we develop our Long Term Plan 2021-2031. We will always be upfront and honest with you about the issues and challenges facing our city, and we look forward to continuing to work with our communities to ensure that we build a city where everyone thrives.

Ngā mihi nui

Mayor Campbell Barry and Chief Executive Jo Miller



He Karere nā Ngā Tumu Whakarae

Ko ētehi o ngā tino kaupapa o Te Kaunihera ko te whakariterite mō te wā kei te heke mai, ko te whakapau kaha hoki a Te Kaunihera kia puāwaitia ō tātou iwi. I te tīmatanga o tēnei tau, ko te tikanga ia ka toro atu ki tō tātou pāpori, wānanga ai i ngā panoni ki tō tātou ratonga para, ki ngā ratonga hangarua, ki ngā haumitanga kua āpitiia ki ngā poupou o te hapori, pērā i ngā huarahi, i ngā ara paihikara hoki, i ngā panoni ki tō mātou rautaki ahumoni kia whakapakari ai i tō mātou whanake ōhanga.

Pērā i rātou e noho tawhiti ana puta noa i te ao, i panonitia rawatia ā mātou whakaritenga i ngā tini wero a Te Mate Korona. I a te pāpori e tāmia ana e ngā taumahatanga o te wā, kāre e tika ana kia ū tonu ki aua whakaritenga kua raupapatia kētia.

I pēhia te pātene tūtātari, me kī, i āta wānangatia, i āta arotakengia e mātou ngā hōtaka mahi mo te kotahi tau kei te haramai. Ko te tikanga kei te taumata o te whakaaro ka manaakitia tō tātou ōhanga kia hoki ora mai. Otinō, i whakaritea tētehi Mahere ā-Tau, tētehi ōhanga whakamāui hoki e aro ana ki ngā kaupapa e toru – kia hoki ki ngā tūāpapa, kia āta whakaarohia te whakapaunga pūtea, kia hoki ora mai tātou i ngā tāmitanga ōhanga.

Ko te tūmanako, ka noho taurite ngā haumitanga ki ngā poupou o te hapori, i a mātou e whakaiti ana i ngā whakapaunga pūtea, hei tautoko i ngā iwi kāinga. I tā mātou uiuinga, ka rangona ngā tini kōrero a te iti me te rahi, i tukuna mai hoki ngā tāpaetanga ōkawa e rua rau, neke atu. I a ngā rāhui Mate Korona e hiki ana ka uruhau mātou kia rangona i ngā kauhau ōkawa a ngā tāngata whā tekau i tukuna mai i te whakawā tūmatanui.

E whai mai ana i te wā uiuinga, ka whakamanahia e Te Kaunihera te mahere pūtea whakamāui, kotahi tau tōna roa, kia āpiti atu ki te Mahere ā-Tau 2020-2021. Ka raupapatia e te Mahere ā-Tau ngā tino whakaarotau mō te tau kei te heke mai, tae ana ki te pikinga rēti 3.8%. Ka whakaiti tēnei i te pikinga rēti 7.9% i tohungia i mua atu. Ka whakamanahia tēnei pikinga kia whakaaro nui tonu ki a rātou e tāmia ana e ngā taumaha Mate Korona, kia pai tonu ai tā mātou tiaki i tātou.

Ahakoia, ka penapena te Mahere ā-Tau i te pūtea hōtaka mahi e 3 miriona tāra, ko te haumi i ngā tino poupou o te hāpori kei te pito o te whakaaroaro ā Te Kaunihera mō tēnei tau e haere ana. E rua hautoru o te pikinga rēti ka haumi pū atu ki tō tātou pou tarā waho wai. I tīmatanga o te tau, i tohungia Te Kaunihera kia huarua tō mātou haumitanga

i tēnei kātū wāhi. Hei tēnei tau, ka tīmata tō mātou aro atu ki tēnei wero nui kua takoto nei, ā, ka āpiti atu ki Mahere ā-Ngahurutanga hei tērā tau.

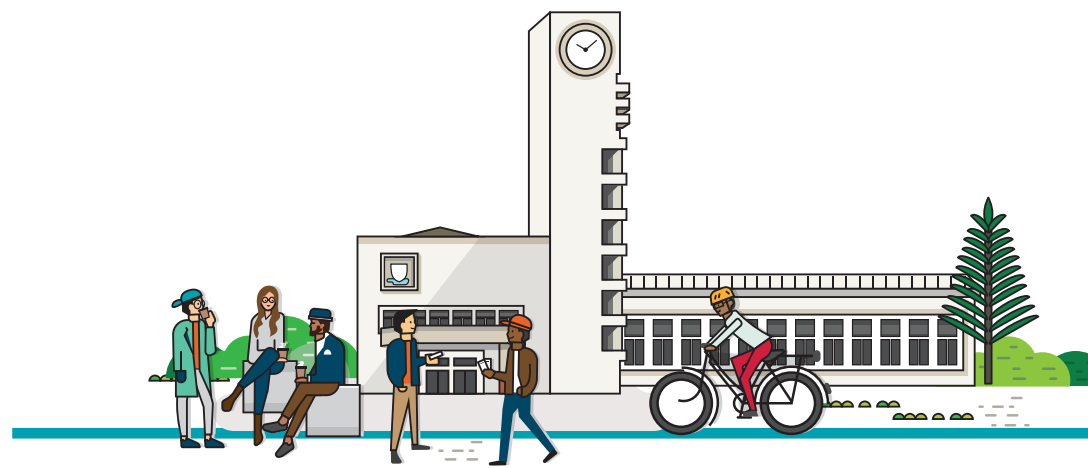
Ko hētehi atu whakatakanga kua āpiti nei ki te Mahere ā-Tau:

- \$1.5 miriona kia whakaahu whakamua te whakahou i Te Puna Kaukau o Naenae
- \$200,000 kia whakawhanake i tētehi mahere waka whakauruuru mō Te Awa Kairangi ki Tai
- \$900,000 kia hanga i Te Aroha Mātauranga ki Te Papa Rēhia o Te Whiti
- \$1.25 miriona kia whakapakari ā-rū i ngā whare Kaunihera.

He tuku whakamihi tēnei ki a koutou kua tautoko mai i ēnei mahi. I a mātou e whanake ana i Mahere ā-Ngahurutanga 2021-2031 ka mihiā ō koutou whakaaro, ō koutou kōrero. I te ao, i te pō, ka matatika tonu mātou kia mātau mōhio te katoa i ngā piki me ngā heke o te wā, ka patui te haere o Te Kaunihera me ō tātou pāpori kia whakatūturu ai i te puāwaitanga o te marea.

Ngā mihi nui

Nā Te Koromatua, a Campbell Barry, māua ko Te Tumu Whakarae, a Jo Miller



Our Vision for Lower Hutt | Ko Tā Mātou Whakakitenga mō Te Awa Kairangi

A thriving city

What: A city that is financially sustainable, fair, and where we think about the next generation. A city that our people are proud to live in, where working and investing is a smart choice, where there's always something for our families to explore and where everyone has opportunities to thrive.

Why: Our vision to be a thriving city means we need good public services provided where and when needed, investment in our assets for future generations, to nurture our natural environment, work with our communities to be the best we can be, and focus our attention on climate change and a sustainable future.

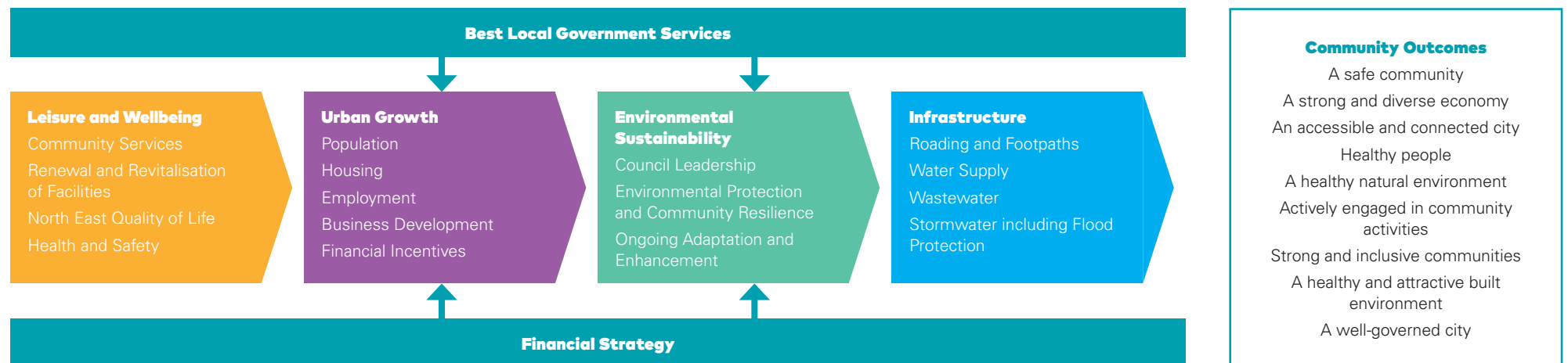
We also need to manage our finances prudently and ensure that our rates, fees, charges and costs are fair and shared equitably across the generations that will benefit from the services provided. Our everyday costs must be paid for within our means and borrowing for these should never be an option.

How: Council currently has four key strategies which were developed to help us achieve our vision. These are:

- The Leisure and Wellbeing Strategy 2012-2032.
- The Urban Growth Strategy 2012-2032.
- The Environmental Sustainability Strategy 2015-2045.
- The Infrastructure Strategy 2018-2048.

These strategies have served Council well in the past. However, given the considerable challenges the city is facing as a result of Covid-19 together with the need to invest in our water infrastructure as well as other major projects of the future such as Naenae Pool and fitness centre and our investment in things like roads and cycleways, these strategies and associated projects need to be reviewed.

As we move towards the 2021-2031 Long Term Plan, we will be working alongside you to develop a city plan – a new plan for a thriving Lower Hutt.



Getting Us Through | Kia Tae ki Tua

In light of the unprecedented situation we are all in as a result of Covid-19, we have taken stock of the key projects planned in the 2018-2028 Long Term Plan (LTP). The focus now is on ensuring that investment in essential services can continue. This includes additional expenditure on Three Waters to do the basics like fixing water leaks, renewing some pipes in poor condition and to upgrade the Seaview Wastewater Plant to address seismic issues.

The emergency one-year budget is limited to getting us through this period of uncertainty. It does not address the need to invest in our city's infrastructure at a sufficient level to have services and amenities that would be expected of a modern thriving city. We have made some tough choices which include \$3 million of operational savings to help us 'get through'.

We were progressing plans to consult on significant proposed changes to the LTP including funding major capital projects. This included long term investment choices for Three Waters, Naenae Pool and fitness centre development, cycleways and cross valley connections; together with proposed changes to funding solutions. These plans have been put on hold as a result of Covid-19, and will be progressed further when we develop our LTP 2021-2031.

The financial challenges remain and work will be required to review our financial strategy, including the way we apportion rates, in the next LTP; this is likely to require increased revenue and borrowings to fund our priorities for the city. We will need to work towards finding a financially sustainable solution in the long term where there is sufficient revenue to match the costs of delivering services for our growing city. A planned way forward on this will be further developed along with a redeveloped infrastructure strategy and other plans to provide financial stability to our operations and services.

Our consultation process

The 'Getting us Through' engagement period ran for two weeks and took place during the Covid-19 alert levels 3 and 2 lockdown period. Our focus was on digital engagement and reaching residents in different ways. In addition to media releases, Hutt@Heart articles and advertising in print, radio and social media, we sent four Covid-19 e-newsletters to email groups in use across Council, and included information about the Annual Plan engagement at the same time.

As we consulted on the one-year emergency budget, we heard from several thousand people using virtual, social media and other informal engagement mechanisms, and received over 200 formal submissions. A 'rates calculator' was provided online so that people could check the rating impact on their individual properties, with 841 people using this tool. As Covid-19 restrictions lifted, we were pleased to hear from around 40 people who addressed us at the public hearing of formal submissions.

Overall we were pleased with the response. The majority of submissions came from people aged under 50 years (50%), with 7% of these under 30 years old, and 26% between 60 and 80 years old. 95% of respondents were residential ratepayers, 5% commercial and 5% rural, with some residential ratepayers also being commercial ratepayers.

In our consultation we asked about agreement or disagreement with the overall approach outlined in the one year emergency budget and draft Annual Plan to get us through. 59% strongly agreed or agreed with our overall approach, while 28% either disagreed or strongly disagreed.

Agreement or disagreement with the overall approach outlined in one-year emergency budget and draft Annual Plan 2020-2021 (158 Responses)				
Strongly agree	Agree	Neutral	Disagree	Strongly disagree
17% (26)	42% (67)	13% (21)	15% (24)	13% (20)

We also asked about the proposed rates revenue increase. 58% of those who responded agreed that the proposed 3.8% overall rates revenue increase struck the right balance, allowing us to move forward on some key work while limiting the financial burden on our community. A total of 72% agreed or thought that the rates increase should be higher, while 28% disagreed or thought it should be lower.

Does the proposed 3.8% overall rates increase strike the right balance (156 responses)		
Yes, I agree	No, I think the rates increase should be higher	No, I think the rates increase should be lower
58% (91)	14% (21)	28% (44)



We asked about other priorities or projects that people would like to see progressed, areas where savings had been made, and projects put on hold as a result of Covid-19. We received substantial feedback on these topics, which has been considered in finalising the Annual Plan, and also provides early feedback on projects to be pursued further through the LTP 2021-2031.

We asked about three options for the rates split. Over three quarters of those who responded were supportive of Council's preferred option. See detailed information about the rates split in the pages that follow.

Full results from our consultation and engagement processes are available on the Council website.

Decisions made

We have adopted an emergency one-year budget for 2020-2021 with an overall 3.8% increase in rates charges for ratepayers. This equates to an average increase of \$2.35 per week per household or an average increase of \$122 per annum. Investment in our Three Waters infrastructure makes up \$82 of the average \$122 per annum rise. The remaining \$40 covers cost increases for all the other services provided by Council. An additional 1% is allowed for growth in the rating base.

The lower rates rise means less revenue at a time when operating expenditure has increased by \$18.6 million compared to what was projected for 2020-2021 in our LTP 2018-2028. This is largely due to unbudgeted or higher than anticipated costs for Three Waters repairs and renewals, depreciation and insurance, the review of the District Plan, preparatory work for Naenae Pool, our Homelessness Strategy, sports initiatives for tennis and gymnastics and the Development Stimulus Package.

Crucially, the proposed rates revenue increase means that we will stay within the borrowing limits set in our Financial Strategy for 2020-2021. However, on the down side there is a \$9.7M projected deficit for 2020-2021 rather than the \$4.4M surplus projected in the LTP. The gaps in Council revenue to meet ongoing operational costs will be funded through additional debt as a one-off solution alongside the cost savings that we've achieved.

The key work to be funded in the Annual Plan 2020-2021 is outlined below. Full project lists for each activity are included elsewhere in the Annual Plan.

Three waters infrastructure \$31M

Full capital programme for the Three Waters, involving major projects such as:

- Fast tracking of the construction of key renewals for water supply and wastewater pipes which are in poor condition, as well as renewing a number of critical wastewater pumps - \$4.4M.
- Additional funding for the seismic upgrade of the Seaview Wastewater Treatment Plant - \$1.2M.
- Barber Grove to Seaview Wastewater Treatment Plant - Wellington Water has advised that additional costs will be required to lay a replacement main collecting sewer between the Barber Grove Pumping Station and the Seaview Wastewater Treatment Plant to serve the Hutt Valley - \$6.675M in 2020/21; \$10.2M in 2021/22.
- Seaview Wastewater Treatment Plant Storage - \$1.26M.
- Port Road Water Main Renewal - \$1.7M.
- Stormwater network planning, upgrades and improvements across the Hutt Valley - \$2.285M - and for the Awamutu Stream - \$1M.

Roading and accessways \$20M

Full capital programme involving major projects such as:

- Beltway Cycleways programme (\$6.7M), a cycling lane to the east of the city extending between Seaview and connecting to the Hutt River Trail at Taita Drive. This is a joint project with the NZ Transport Agency.
- Cross Valley Link investigation and design work (\$700k).
- Capital works attract NZTA subsidies of \$9.4M.

Days Bay wharf \$700k (bringing the total to \$2.2M)

- Additional construction costs to complete the refurbishment of Days Bay Wharf.

Te Aroha Mātauranga at Te Whiti Park \$900k

- A long-standing project with Te Atiawa to build a multi-purpose facility adjoining the new toilets and changing rooms at Te Whiti Park.

Integrated transport plan \$200k

- Reprioritised funding to complete a transport plan for Lower Hutt.

Covid-19 recovery

- Planning is underway on the requirements for this and funding is likely to be met from reprioritising funds from existing budgets.

Living wage for staff and contractors

- Costs will be met from operational savings and will be implemented progressively.

Climate change \$250k

- Funding for the initial community engagement to co-design how we get to zero carbon by 2050 (or earlier) and how the city can respond to climate change impacts. It does not cover any of the cost of adaptation measures. This would be progressed later following the development of adaptation plans linked to the Long Term Plan.

Homelessness Strategy \$520k

- This covers three service delivery contracts and includes legal advice, assistance to find homes and providing immediate support.

Wainuiomata Sportsville \$50k

- To progress a feasibility report on sporting facilities.

Facilities seismic strengthening \$1.25M

- Covers structural engineering and architectural consultancy, plans, drawings, consents and physical construction for the Walter Nash corridor area, Little Theatre internal walls, and high priority areas of the War Memorial Library.

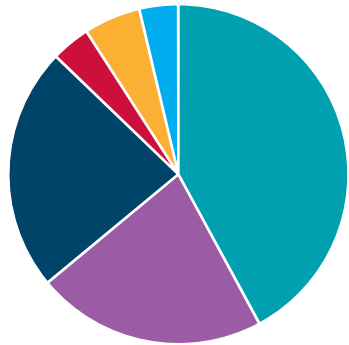
RiverLink \$5.43M

- The funding allocated reflects our commitment to partners NZTA and Greater Wellington Regional Council by continuing with our part of the investment in the next phase of the RiverLink Project. The 2020-2022 phase includes consent applications, design development and progressing procurement contracts. Construction is planned to start in 2022. This phase is central and critical to the success of such a large scale and highly complex capital project.

Financial Summary

Whakarāpopototanga Ahumoni

Where does Council income come from?



- Rates Funding – based on Capital Value (\$74.9M) 42.0%
- Rates Funding – Fixed Charges (\$38.4M) 21.5%
- User Charges (\$39.9M) 22.4%
- Operating Contributions (\$6.6M) 3.7%
- Capital Contributions (\$12.2M) 6.8%
- Other Revenue (\$6.5M) 3.6%

Where does Council spend money?

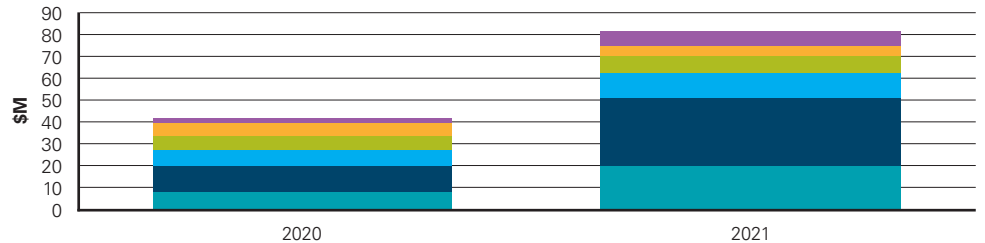


- Integrated Community Services (\$38.3M) 20.3%
- Parks and Reserves (\$16.6M) 8.8%
- Community Facilities Development (\$1.8M) 1.0%
- City Environment (\$4.4M) 2.3%
- City Development (\$9.9M) 5.3%
- City Resilience (\$2.2M) 1.2%
- Consents and Regulatory Services (\$12.1M) 6.4%
- Roding and Accessways (\$33.8M) 18.0%
- Water Supply (\$20.8M) 11.1%
- Wastewater (\$22.9M) 12.2%
- Stormwater (\$9.8M) 5.2%
- Solid Waste (\$11M) 5.8%
- City Governance & City Leadership (\$4.6M) 2.4%

Funding Sources

Area of spend	Capital Spend 2020-21 (\$M)	Operating Spend 2020-21 (\$M)	How operating costs are funded	Rates value per \$100
Total	\$81	\$188	 Rates 60% Other 40%	
Leisure and Wellbeing	\$11	\$57	 Rates 64% Other 36%	\$32
City Growth	\$8	\$26	 Rates 50% Other 50%	\$12
Environmental Sustainability	\$0	\$2	 Rates 61% Other 39%	\$1
Infrastructure	\$55	\$98	 Rates 61% Other 39%	\$53
Organisation	\$7	\$5	 Rates 40% Other 60%	\$2

Capital investment



- Roding and Accessways
- Three Waters
- Leisure and Wellbeing
- City Growth
- Solid Waste
- Other

Rates Differential (Split) | Panonitanga Rēti (Totoe)

Over the last three years Lower Hutt residential property values increased substantially more than commercial and utility. This has triggered a larger proportional increase in residential property rates than for commercial properties and utilities. This section of the Annual Plan deals with the split of rates between different property groups.

Background

Residents and commercial property owners pay a different proportion of our city's rates.

Over the years we have been working towards making sure the share of rates paid by residents, commercial property owners, utilities and people living in rural areas is spread more equitably.

Rates are assessed on how much a property is worth, as determined by Quotable Value Limited (QV) every three years.

In 2019, Quotable Value figures showed that on average, between 2016-2019 Lower Hutt:

- residential property increased in value by 31.8%
- commercial property increased in value by 16.9%, and
- utilities property increased in value by 12.8%.

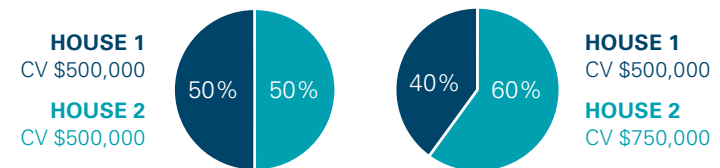
In other words, over the last three years Lower Hutt residential property values increased substantially more than commercial and utility values – triggering a larger proportional increase in residential property rates than for commercial properties and utilities.

How does the capital value rating system work?

At a very basic level, there are three steps:

1. We work out how much income is needed from rates in order to run the city.
2. The 'general rate' rate money is collected to fund things that benefit the general good of the city, like roads and parks maintenance. The general rate amount is then spread across the city in amounts proportional to each property's capital value compared to the total value of the city.

3. For example, if there were two properties in the city each worth \$500,000, then each house would pay 50% of the general rates required to run the city. This is because each house makes up half of the total value of the city.



If, when they are revalued, house 1 is still worth \$500,000 but house 2 is now worth \$750,000, then they would no longer pay the same amount of rates. House 1 would pay less than 50%, and house 2 would pay more, because each pay a share of the rates in proportion to the value of their house compared to the value of the city as a whole. In this case 40% and 60%.

4. Some rates are for specific things such as water supply. These are called 'targeted rates' and are charged only to the properties that use these services. The cost of the service is shared among those properties

We have changed the general rate differentials. Why?

The recent property values revaluation resulted in some big changes to values across our city. Residential property values increased a lot, but rates for commercial property owners and other groups did not increase by the same proportion. The changes in revaluations have meant that Council's policy on the rates paid by commercial property owners and residents would result in residents picking up a greater share of the general rates bill at a far higher level than was previously planned in 2010. This raised concerns over the affordability of rate increases for the residential category.

In fact if no rating policy changes were made then the residential sector will continue to pick up a higher proportion of the general rates in 2020/21, being 65%, a further increase of 2% from 2019/20. We were concerned that, as a result, these changes would be inequitable across the different categories of ratepayers so we have changed the general rate differentials.



Next year we will undertake a full review of our Revenue and Financing Policy including rates as part of the development of the 2021-2031 LTP.

Why have property values increased?

Each year in our Annual and Long Term Plans we set the rates we need to invest in our city and facilities. The amount you pay towards this amount is partly based on the capital value of your home (the building and the land).

In late 2019 Quotable Value set a new valuation for all residential properties in Lower Hutt. It showed that residential property has experienced significant growth in value over the last three years, particularly Taita (43%), Stokes Valley (40%) and Wainuiomata (53%).

If the capital value of your property has gone up by more than the average of the city (31.8%), then your proportion of the general rate will go up. If your property's value has increased by less than the average, then your proportion will go down.

If you think of our rates income as a pie, the size of the pie does not get any bigger as a result of the revaluation. However, a ratepayer's slice of pie might get bigger or smaller depending on how their property value has changed in relation to the city's average valuation changes.

Business rates compared to residential rates – the rates differential

Back in 2012, general business rates were almost four times the amount of residential properties of the same value.

That's when we began adjusting the share of general rates paid by commercial, residential and rural ratepayers. This adjustment is called the rates differential, and our approach was to progress changes over a ten year period.

When the policy was set there was uncertainty about how the city would grow, and our modelling shows a target of about 60% residential share of the general rate was planned.

Over time, there's been a significant transfer of rates from the business sector to residents:

- residential property values moved from 51% of general rates in 2010/11 to a 63% share in 2019/20
- commercial property moved from 44% of general rates in 2010/11 to 31% in 2019-2020.

While this shift couldn't have been anticipated back in 2011/12, the end result remains the same: the three yearly general revaluations have changed property values across different categories resulting in residents potentially picking up 65% of the overall rates bill in 2020/21, which goes far beyond the intent of the original policy.



What are differential rates?

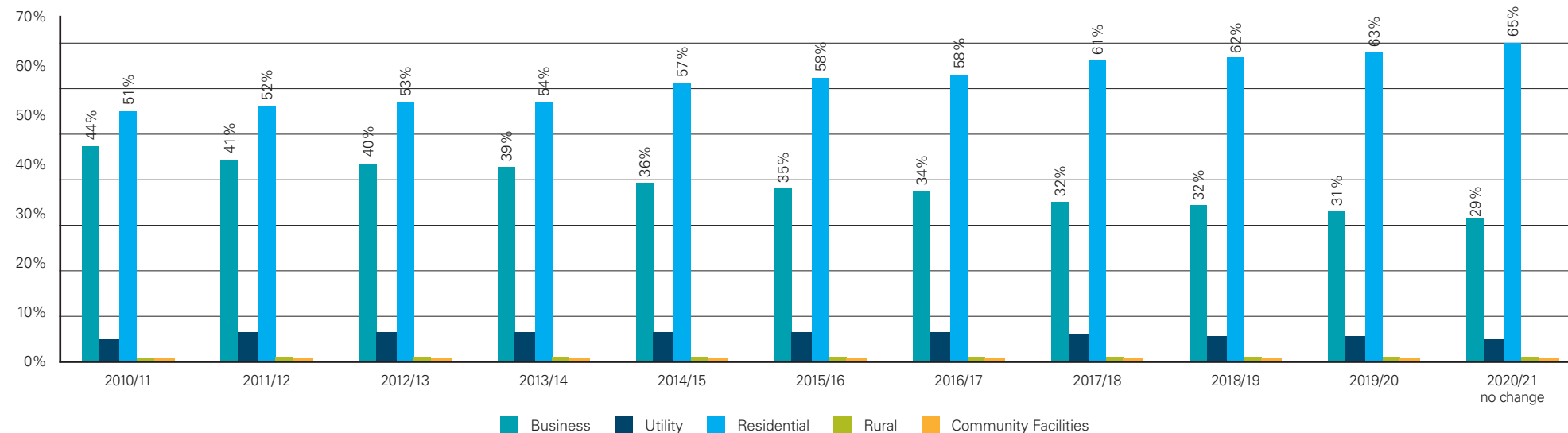
In simple terms, differential rates mean that there is a different rate for different property categories, e.g. residential, rural property owners, commercial, and utilities. Currently we use a differential rate and our property categories pay different percentages of their capital value for the general rate.

The table below sets out the property groups and the differential rates that were used in the rates for the 2019/20 year and the remainder of the differential transition adopted in 2012 that would reduce the business differentials by 2022/23.

Differential	2019/20	2020/21	2021/22	2022/23
Residential	1.00	1.00	1.00	1.00
Business Accommodation	2.51	2.44	2.37	2.29
Business Central	2.72	2.58	2.44	2.29
Business Suburban	2.63	2.52	2.41	2.29
Utility Networks	2.36	2.34	2.32	2.29
Rural	0.75	0.76	0.77	0.80

Residential properties have consistently increased over the last three revaluations or nine years at a greater rate than commercial properties. When compared with the city average, residential properties have increased by 9.13% greater than average while business properties have decreased 29.16% less than the average.

This graph shows the change over the last ten years in the allocation of rates charges between property rating categories



Accumulated change in capital value since 2010 and compared with average

Property category	Accumulated change since 2010	Movement compared with Average
Business	38.18%	Lower (29.16%)
Community facilities	114.19%	Higher 46.85%
Residential	76.48%	Higher 9.13%
Rural	53.42%	Lower (13.93%)
Utility	14.12%	Lower (53.23%)
Average	67.34%	

The graph below demonstrates the percentages paid by each property group. The change over time is caused by the change in rateable values, and our current policy of reducing the differential for commercial properties. The graph includes an indicative 2020/21 projection which shows that if no changes to the policy were made then the residential share of the general rates would continue to receive a higher proportion in 2020/21 of 65%, a further increase of 2% from 2019/20.

Using indicative modelling from 2011/12 to understand the differential policy, it is clear that a target of about 60% share of the general rates by residential ratepayers was intended when the policy was implemented.

After the 2019 property revaluations, we wanted to ensure the amount of rates paid by our various ratepayer groups reflects an equitable share.

Council is aware that households are under increasing financial pressures. Households in Lower Hutt have experienced increasing costs for housing in both rental and ownership markets in recent years. House prices increased by 46% between 2015 and 2019, while rental costs increased by 31% during the same period. These housing costs have increased at a much faster rate than household incomes which means that, as well as an increase in homelessness and housing hardship, a growing number of households are experiencing difficulties accessing and sustaining accommodation. Allocating rates based on the differential transition policy for 2020/21 was considered by Council to place an unreasonable burden on residential ratepayers and the Council looked at options to change the differential allocation. Options were consulted on through the Annual Plan consultation document and Council refined these options following the receipt of submissions.

Full Review of Revenue and Financing Policy

A full review of our Revenue and Financing Policy is planned for the 2021-2031 LTP which will include a review of the rating differentials.

We identified three possible options that could be implemented for the 2020/21 rating year.

Option 1C (Council's adopted option): Hold close to 2019/20 position based on percentage splits

Keep the allocation of general rates close to the levels of percentage between all property rating groups as in 2019/20. This will keep the percentage amounts paid towards general rates close to the level in the 2019/20 rating year, that is, not continuing with the direction of reducing the proportion of rates paid by businesses. While individual properties may still see an increase in the rates levels payable, this approach will generally see most property groups having an increase of a similar percentage. This is holding the existing allocations until a full review can be completed as part of the 2021-2031 LTP. The impact on the average residential property would be around \$45 per annum lower rates when compared to option 3 (continuing the differential transition).

Following submissions Council modified this option by retaining the principle of maintaining the percentage of general rates paid based on the percentage that each category paid in 2019/20, with the exception of Queensgate which has a reduction based on the decrease in their capital value. This also continues to ensure a reasonably even rates increase for each category of ratepayers (excluding Queensgate which has a decrease), ensuring affordability across all categories of ratepayers. This then required Queensgate Mall to have its own differential rate to avoid other categories, including Business Central, from incurring a significant unaffordable rates increase, and to reflect that Queensgate is different from other Business Central rating units.

The table below demonstrates the impact on average properties for each category.

Property category	Capital value 1 July 2019	1 July 2019 Rates \$	Capital value 1 July 2020	% Change to property value	1 July 2020 Rates \$	Higher or lower rates	\$ Change amount annual	\$ Change amount weekly
Average Residential	\$476,000	\$2,477	\$625,042	32%	\$2,599	Higher	\$122	\$2.35
Average Business Central	\$1,380,448	\$13,074	\$1,690,799	22%	\$13,628	Higher	\$554	\$10.65
Average Business Suburban	\$1,222,386	\$11,361	\$1,625,545	33%	\$11,812	Higher	\$451	\$8.68
Average Business Accommodation	\$2,387,286	\$22,561	\$3,127,121	25%	\$24,711	Higher	\$2,150	\$41.34
Business Queensgate	\$250,000,000	\$2,176,112	\$240,000,000	(-4%)	\$1,906,376	Lower	(\$269,736)	(\$5,187)
Average Rural (no services)	\$650,932	\$1,548	\$867,386	33%	\$1,608	Higher	\$60	\$1.16
Utilities	\$2,370,000	\$17,738	\$2,630,700	11%	\$18,294	Higher	\$556	\$10.69

New rating differentials will be set for the 2020/21 year.

Differential	2019/20	2020/21
Residential	1.00	1.00
Business Accommodation	2.51	2.69
Business Central	2.72	2.95
Business Queensgate	2.72	3.17
Business Suburban	2.63	2.61
Utility Networks	2.36	2.80
Rural	0.75	0.75

Other options considered but not adopted were:

Option 2 – Freeze the differentials to be the same as 2019/20

Freeze the differential transition for a year, that is, use the 2019/20 differentials rather than those planned for 2020/21. This would have replicated what Council did in 2017/18 when the decision was made to freeze the differential transition for a year. Under this option, the share of general rates paid by different rating groups would change but less significantly than if the differential transition was continued (option 3). The impact on homeowners would be around \$22 per annum lower rates when compared to option 3.

The table below demonstrates the impact on the average properties for each category.

Property category	Capital value 1 July 2019	1 July 2019 Rates \$	Capital value 1 July 2020	% Change to property value	1 July 2020 Rates \$	Higher or lower rates	\$ Change amount annual	\$ Change amount weekly
Average Residential	\$476,000	\$2,477	\$625,042	32%	\$2,622	Higher	\$145	\$2.79
Average Business Central	\$1,380,448	\$13,074	\$1,690,799	22%	\$12,849	Lower	(\$225)	(\$4.32)
Average Business Suburban	\$1,222,386	\$11,361	\$1,625,545	33%	\$11,973	Higher	\$612	\$11.77
Average Business Accommodation	\$2,387,286	\$22,561	\$3,127,121	25%	\$22,780	Higher	\$219	\$4.20
Business Queensgate	\$250,000,000	\$2,176,112	\$240,000,000	-4%	\$1,665,337	Lower	(\$510,775)	(\$9,822.60)
Average Rural (no services)	\$650,932	\$1,548	\$867,386	33%	\$1,632	Higher	\$84	\$1.62
Utilities	\$2,370,000	\$17,738	\$2,630,700	11%	\$15,635	Lower	(\$2,103)	(\$40.44)

Option 3 – Status quo – Continue with differential adjustment

Continue with the differential transition adjustment to the share of general rates paid by commercial, residential and rural ratepayers. Homeowners would pay an increased percentage of the general rates. When this policy of adjustment was adopted, it was not intended to have the impact it is having now, that is, the residential share of the general rates is over 60%.

The table below demonstrates the impact on the average properties for each property category.

Property category	Capital value 1 July 2019	1 July 2019 Rates \$	Capital value 1 July 2020	% Change to property value	1 July 2020 Rates \$	Higher or lower rates	\$ Change amount annual	\$ Change amount weekly
Average Residential	\$476,000	\$2,477	\$625,042	32%	\$2,644	Higher	\$167	\$3.20
Average Business Central	\$1,380,448	\$13,074	\$1,690,799	22%	\$12,403	Lower	(\$671)	(\$12.90)
Average Business Suburban	\$1,222,386	\$11,361	\$1,625,545	33%	\$11,665	Higher	\$304	\$5.85
Average Business Accommodation	\$2,387,286	\$22,561	\$3,127,121	25%	\$22,503	Lower	(\$58)	(\$1.12)
Business Queensgate	\$250,000,000	\$2,176,112	\$240,000,000	-4%	\$1,602,006	Lower	(\$574,104)	(\$11,040.49)
Average Rural (no services)	\$650,932	\$1,548	\$867,386	33%	\$1,676	Higher	\$128	\$2.47
Utilities	\$2,370,000	\$17,738	\$2,630,700	11%	\$15,714	Lower	(\$2,024)	(\$38.92)

Note: the total income from rates would be the same regardless of which of these options was chosen.

How each option would affect average residential property rates

Option	Rates 2019/20	Expected Future Rates 2020/21	% Change	Change in amount per annum	Change in amount per week	Impact on rates
Option 1: Holding position based on percentage splits	\$2,477	\$2,599	4.9% higher	\$122	\$2.35	\$45 per annum lower than option 3
Option 2: Freeze the differentials	\$2,477	\$2,622	5.9% higher	\$145	\$2.79	\$22 per annum lower than option 3
Option 3: Do nothing	\$2,477	\$2,644	6.7% higher	\$167	\$3.20	\$167 per annum higher than 2019 - 2020

How each option would affect average central business rates

Option	Rates 2019/20	Expected Future Rates 2020/21	% Change	Change in amount per annum	Change in amount per week	Impact on rates
Option 1: Holding position based on percentage splits	\$13,074	\$13,627	4.2% higher	\$553	\$10.64	\$1,224 per annum higher than option 3
Option 2: Freeze the differential	\$13,074	\$12,849	(1.7)% lower	(\$225)	(\$4.32)	\$446 per annum higher than option 3
Option 3: Do nothing	\$13,074	\$12,403	(5.1)% lower	(\$671)	(\$12.90)	(\$671) per annum less than 2019 - 2020

Amendment to the Revenue and Financing Policy

Step two

The second step in the process is for Council to apply its judgement to the overall impact on the community. In exercising this judgement Council particularly considered the following:

- The impact of rates and rates increases on residential properties, and in particular on the affordability of rates and rates increases for low, average and fixed income households.
- The impact of rates and rates increases on businesses and on the competitiveness of Lower Hutt as a business location.
- The fairness of rates (and changes in rates) relative to the benefits received for 'stand-out' properties with unusually high capital values.
- The special characteristics of particular classifications of property - including their purpose and proximity to the city.



- The complexity of the rating system and the desirability of improving administrative simplicity.
- The change in relative rateable values between types of properties.

As the general rate is a general taxing mechanism, shifting the 'differential factor' for each sector's share of the city's overall capital value is the principal means that Council has used to achieve the desired overall rates impact on the wider community.

Differential Factor

The general rate payable on each category of property is expressed as a rate in the dollar of capital value.

The different rates in the dollar for different categories of property are determined as a result of the review described above. These different rates in the dollar for different property categories are known as 'differential factors' and are agreed following the completion of step two of the process (which is designed to allow Council to apply its judgement on the overall impact on the community).

Following a Revenue and Financing Policy review undertaken by Council in 2012, it determined the following differential factors for each category of property:

- Residential: 1.0
- Business: 2.3
- Business Central: 2.3
- Utility Networks: 2.3
- Rural: 0.8
- Community Facilities 1: 1.0
- Community Facilities 2: 0.5
- Community Facilities 3: 2.3

In 2012 we commenced a 10 year shift in the differential to achieve these ratios. The underlying objectives of the transition were to:

- Lower the allocation of rates to the rural sector to a level where the rural differential is equal to 0.8. This change has been made on the basis that rural properties often experience a lower level of service because of the longer distances between rural properties and our facilities.
- Provide two special categories of community facilities and rate them at a lower differential to recognise the community benefits provided by such facilities. The two categories are Community Facilities 1 and Community Facilities 2 and are defined in the Funding Impact Statement, along with the differential to apply to each. A third category of Community Facilities is also defined but no adjustment has been made to the differential to be levied on this category.

- Standardise the differential for all other non-residential properties so that such properties are rated on the same basis.

For 2017/18, we agreed to freeze the differential transition for one year and extend the transition period by a year, to reduce the rates impact on residential ratepayers caused by the significant increase in residential property values following the three yearly revaluation of properties (for rating purposes), in October 2016.

The differential policy was reviewed by Councillors during the preparation of the 2018-2028 LTP. It was decided to continue with the differential transition plan from 1 July 2018 so that from 1 July 2023 the business rate would be no more than 2.29 times (previously 2.3 times); greater than the rate of a residential property of the same value.

However, because of significant changes in the relative capital values in the 2019 rating valuation, the allocations of general rate based on the current policy would place an increased burden on residential properties. Based on the status quo the average residential property would have an increase of \$167 per annum (6.7%), while the average Business Central property would see a decrease of \$671 per annum (5.1%).

Accordingly, we will allocate the general rate using modified differentials to ensure the percentage of 2020/21 general rates collected from each of the categories used in 2019/20 remains close to the same as the percentages of general rates collected in 2019/20, except for Queensgate Mall which saw a reduction in their capital value compared to an increase in capital value for the remaining Business Central properties. If Queensgate Mall was included within Business Central category, the Business Central category would see an increase which the Council considers would be unaffordable to other Business Central ratepayers.

The general rate differentials based on capital values are:

- Residential: 1.000
- Business Accommodation: 2.687
- Business Central: 2.946
- Business Queensgate: 3.165
- Business Suburban: 2.614
- Utility: 2.803
- Rural: 0.747
- Community Facilities 1: 1.028
- Community Facilities 2: 0.497
- Community Facilities 3: 2.344

Revenue and Financing Policy Review

The overall Revenue and Financing Policy (including the differential factors) will be reviewed from a first principles approach in 2021 and is reconsidered every three years as part of the Long Term Plan.

Infrastructure | Pou Tarāwaho



Roading and Accessways

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.

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 Lower Hutt. We provide sealed roads, footpaths and streetlights so people and vehicles can travel efficiently and safely.



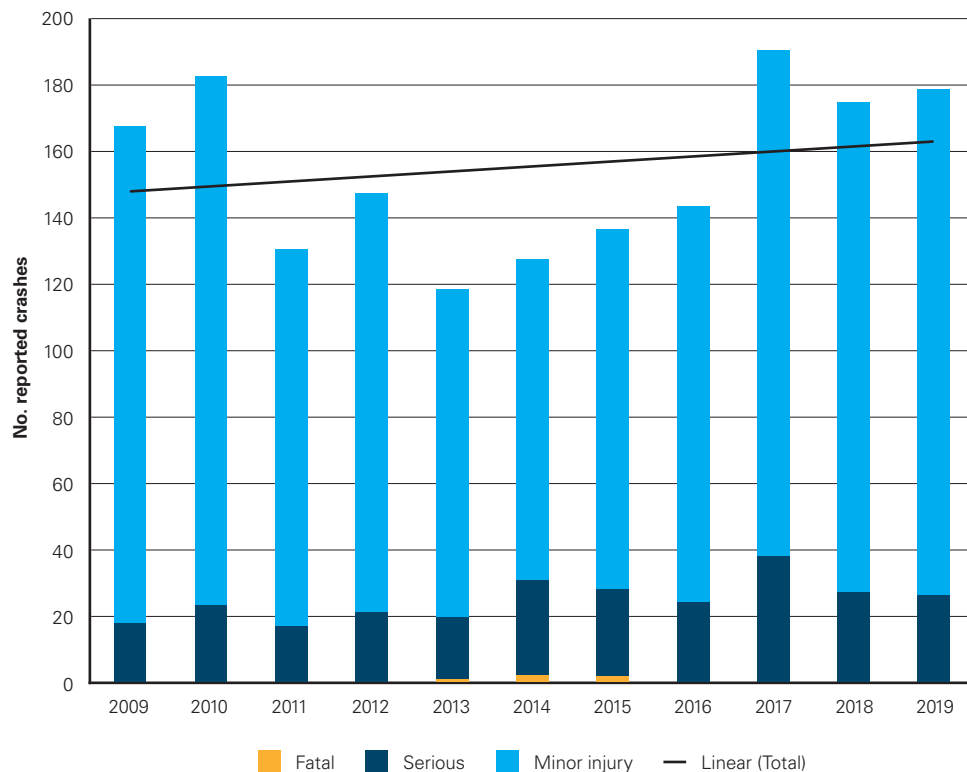
How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with:			
• street lighting	84%	≥ 81%	≥ 81%
• roads and gutters being free of litter	81%	≥ 72%	≥ 72%
• city free of graffiti	91%	≥ 91%	≥ 91%
• traffic control	87%	≥ 80%	≥ 80%
• footpaths	83%	≥ 82%	≥ 82%
• urban roads ¹	92%	≥ 92%	≥ 92%
• parking in and around Lower Hutt	75%	≥ 65%	≥ 65%
'Road Condition Index', which measures the condition of the road surface Note: 1. A lower number indicates an improved rating 2. Effectively half of the city is surveyed each year, consequently the results from alternate years should be referred to for comparison	1.6	Hold or improve rating	Hold or improve rating
The average quality of ride on a sealed local road network, measured by smooth travel exposure Note: 1. A higher percentage indicates an improved rating 2. Effectively half of the city is surveyed each year, consequently the results from alternate years should be referred to for comparison	81%	Hold or improve rating	Hold or improve rating
The change from previous calendar year in number of fatalities and serious injury crashes on the local road network expressed as a number	174	Contribute to a reducing trend over 10 years	Contribute to a reducing trend over 10 years
Response to service requests – percentage of customer service requests relating to roads and footpaths which are responded to within the timeframe specified in the Council's response schedule	97%	≥ 94%	≥ 94%
Percentage of sealed local road network that is resurfaced	5%	8% is the long-term target, however significant year to year variance is expected	8% is the long-term target, however significant year to year variance is expected
Percentage of footpaths that fall within the service standard for footpath condition	99%	≥ 98%	≥ 98%

Notes:

1. The word 'urban' has been added to more accurately reflect the data collected and reported

Injury & fatal crashes within Lower Hutt excluding state highways



Major projects planned: Roading and Accessways

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital To Meet Additional Demand	Annual Plan 2020-21 \$000
Cross Valley Link Investigation/Design	136
Pedestrian Crossings New	11
Traffic Safety Improvements	466

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
Accessibility and Footpaths	46
Bridge Seismic Strengthening (Cuba St. Overbridge)	820
Cross Valley Link Investigation/Design	544
Cycleway/Shared Path Beltway - Continued	6,675
Cycleway/Shared Path Eastern Bays	200
Local Area Traffic Management	235
Land Purchase For Roads	10
Pedestrian Crossings New	95
Reconstruction Improvements - Out Years	160
Substandard Roads Upgrade	1,040
School Speed Zone Programme	70
Traffic Safety Improvements	466
Wheelchair Friendly Footpath Routes	82

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$000
Area Wide Pavement Treatment	3,005
Carpark Resurfacing	48
Footpath Resurfacing and Replacement	205
Pavement Surfacing	3,080
Minor Safety Works	100
Minor Road and Footpath Construction	74
Pedestrian Crossing Renewals	58
Road Reconstruction-Out Years	467
Streetlight Lantern Replacement Programme	200
Streetlight Standard Replacement	250
Street Name Sign Replacement	40
Traffic Signal Replacement	250
Wainuiomata Hill Road Safety Seal	894

Operating Projects	Annual Plan 2020-21 \$000
Rapid Response Anti-Graffiti Service	214
Safety Initiatives	20

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Roading and Accessways

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	4,846	5,438	4,146
Operating subsidies & grants	4,162	4,086	4,309
Capital subsidies	8,067	9,011	9,377
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	212	99	350
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	510	521	510
Other revenue	477	488	477
Total revenue	18,274	19,643	19,169
Expenditure			
Employee costs	1,733	1,714	1,920
Operating costs	12,783	12,349	13,076
Support costs/internal charges	2,796	2,871	3,142
Interest expenditure	1,700	2,064	1,394
Depreciation	12,952	11,981	14,309
Total expenditure	31,964	30,979	33,841
Deficit before tax	(13,690)	(11,336)	(14,672)
Total capital expenditure	18,580	19,558	19,727
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(13,690)	(11,336)	(14,672)
Add capital contributions	(8,279)	(9,110)	(9,727)
Rate funded debt repayment	-	-	-
Total rates funding requirement	(21,969)	(20,446)	(24,399)
Loan funding requirement			
Capital to meet additional demand	-	(3,647)	(613)
Capital to improve level of service	(10,610)	(8,396)	(10,443)
Capital to replace existing assets	(7,970)	(7,515)	(8,671)
Less capital contributions	8,279	9,110	9,727
Less UHCC capital contribution	-	-	-
Less depreciation	12,952	11,981	14,309
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	2,651	1,533	4,309
Total funding requirement	(19,318)	(18,913)	(20,090)

Funding impact statement for the year ending 30 June: Roading and Accessways

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	21,969	20,446	24,399
Targeted rates	-	-	-
Subsidies and grants for operating purposes	4,162	4,086	4,309
Fees and charges	4,846	5,438	4,146
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	987	1,009	987
Total operating funding (A)	31,964	30,979	33,841
Applications of operating funding			
Payments to staff and suppliers	14,516	14,063	14,996
Finance costs	1,700	2,064	1,394
Internal charges and overheads applied	2,796	2,871	3,142
Other operating funding applications	-	-	-
Total applications of operating funding (B)	19,012	18,998	19,532
Surplus (deficit) of operating funding (A-B)	12,952	11,981	14,309
Sources of capital funding			
Subsidies and grants for capital expenditure	8,067	9,011	9,377
Development & financial contributions	212	99	350
Increase (decrease) in debt	(2,651)	(1,533)	(4,309)
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	5,628	7,577	5,418
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	3,647	613
- to improve level of service	10,610	8,396	10,443
- to replace existing assets	7,970	7,515	8,671
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	18,580	19,558	19,727
Surplus (deficit) of capital funding (C-D)	(12,952)	(11,981)	(14,309)
Funding balance ((A-B)+(C-D))	-	-	-

Water Supply

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), 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, are a major focus of Wellington Water Limited (acting on behalf of all the territorial authorities in the Wellington metropolitan area).

Water supply and effective wastewater and stormwater systems ensure urban environments function properly. In addition, the 'Three Waters' deliver public health, economic and quality of life benefits for communities. Managing them well has environmental benefits, provides for city growth, ensures there is enough water to go around, and that reservoirs, pipes and pump stations can cope with demand.

Community expectations on water are changing. Plans need to be put in place to address the forecast impacts of climate change on our water infrastructure, and that current funding for the 'Three Waters' infrastructure is inadequate to meet expectations.

In Lower Hutt, around 60% of the city's water infrastructure needs to be renewed in the next 30 years. On top of that, the city is expecting population to grow by 10-20% in that time.

The significant financial challenges of ensuring we have a high-quality, affordable and durable water network are signalled as a priority for Council.

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)
- industrial and residential development.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with the city water supply ¹	95%	≥ 95%	≥ 95%
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	Achieved full compliance	Full compliance	Full compliance
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Achieved full compliance	Full compliance	Full compliance
Number of complaints for drinking water per 1000 connections: <ul style="list-style-type: none"> • clarity • taste • odour • pressure or flow • continuity of supply • responsiveness to issues 	14	≤ 20 ²	≤ 20 ²
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:			
<ul style="list-style-type: none"> • attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site 	38 minutes	≤ 60 minutes	≤ 60 minutes
<ul style="list-style-type: none"> • resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption 	3.2 hours	≤ Four hours	≤ Four hours
<ul style="list-style-type: none"> • attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site 	77 hours ³	≤ 36 hours	≤ 36 hours
<ul style="list-style-type: none"> • resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption 	4.1 days ³	≤ 15 days	≤ 15 days

How we measure the success of our services (continued)

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Average drinking water consumption per resident per day	376 l/p/d	345 litres per day	345 litres per day
Percentage of real water loss from networked reticulation system ⁴	20% ⁵	≤ 18%	≤ 18%

Notes:

1. This measurement refers to reliability of the city's water supply.
2. The target was revised down to reflect the actual level being achieved. The previous target was too easy and therefore served no useful purpose.
3. Following the November 2018 earthquake and storm events, there was a higher than usual number of requests for callouts. There was a focus on high priority, urgent jobs across the region in November and into December which resulted in an increased median response time to lower priority, non-urgent call-outs.
4. Real water loss measurement is the percentage of water that is lost through leakage on the mains, leakage and overflow at reservoirs and leakage on service connections up to the property boundaries. The water loss estimate is reported as mean regional water loss percentage with a 95% confidence interval of 13%-27%. It has been produced using an updated statistical methodology that meets the requirements of the Non-Financial Performance Measure rules 2013 specified by the Department of Internal Affairs.
5. Watering restrictions and summer demand strategies were implemented and ongoing leak detection work is continuing to find and fix network leaks throughout Lower Hutt.

Major projects planned: Water Supply

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital To Meet Additional Demand	Annual Plan 2020-21 \$'000
Network Upgrade	68
Pump Station Upgrades	16
Reservoir Upgrades	210

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$'000
Critical Pipelines Seismic Upgrade	330
Data Collection	38
Network Upgrade	613
Pump Station Upgrades	143
Reservoir Upgrades	490
Water Resilience	403

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$'000
Distribution Pipe Model Development	50
Reactive Network Renewals	150
Reactive Pump Station Renewals	50
Reactive Reservoir Renewals	750
Control Systems Renewals	6
Network Renewals	2,076

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Water Supply

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	3,198	3,268	3,325
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	106	71	175
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	116	119	116
Other revenue	-	-	-
Total revenue	3,420	3,458	3,616
Expenditure			
Employee costs	-	-	-
Operating costs	14,003	13,789	15,057
Support costs/internal charges	493	507	397
Interest expenditure	565	591	516
Depreciation	4,226	4,061	4,792
Total expenditure	19,287	18,948	20,762
Deficit before tax	(15,867)	(15,490)	(17,146)
Total capital expenditure	4,002	1,559	5,393
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(15,867)	(15,490)	(17,146)
Add capital contributions	(106)	(71)	(175)
Rate funded debt repayment	-	-	-
Total rates funding requirement	(15,973)	(15,561)	(17,321)
Loan funding requirement			
Capital to meet additional demand	(439)	(17)	(294)
Capital to improve level of service	(1,663)	(504)	(2,017)
Capital to replace existing assets	(1,900)	(1,038)	(3,082)
Less capital contributions	106	71	175
Less UHCC capital contribution	-	-	-
Less depreciation	4,226	4,061	4,792
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	330	2,573	(426)
Total funding requirement	(15,643)	(12,988)	(17,747)

Funding impact statement for the year ending 30 June: Water Supply

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	15,973	15,561	17,321
Subsidies and grants for operating purposes	-	-	-
Fees and charges	3,198	3,268	3,325
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	119	116
Total operating funding (A)	19,287	18,948	20,762
Applications of operating funding			
Payments to staff and suppliers	14,003	13,789	15,057
Finance costs	565	591	516
Internal charges and overheads applied	493	507	397
Other operating funding applications	-	-	-
Total applications of operating funding (B)	15,061	14,887	15,970
Surplus (deficit) of operating funding (A-B)	4,226	4,061	4,792
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	106	71	175
Increase (decrease) in debt	(330)	(2,573)	426
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(224)	(2,502)	601
Application of capital funding			
Capital expenditure			
- to meet additional demand	439	17	294
- to improve level of service	1,663	504	2,017
- to replace existing assets	1,900	1,038	3,082
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,002	1,559	5,393
Surplus (deficit) of capital funding (C-D)	(4,226)	(4,061)	(4,792)
Funding balance ((A-B)+(C-D))	-	-	-

Wastewater

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.

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.



How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with the city wastewater service ¹	94%	≥ 95%	≥ 95%
Dry weather wastewater overflows per 1000 connections	0.49 ²	0 per 1000 connections	0 per 1000 connections
Number of complaints per 1000 connections: <ul style="list-style-type: none"> wastewater odour wastewater system faults wastewater system blockages responsiveness to wastewater system issues 	22	≤ 30 per 1000 connections	≤ 30 per 1000 connections
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: <ul style="list-style-type: none"> attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault. 	37 minutes 2.8 hours	≤ 60 minutes ≤ Six hours	≤ 60 minutes ≤ Six hours
Compliance with resource consents for discharges from wastewater system: <ul style="list-style-type: none"> number of abatement notices number of infringement notices number of enforcement orders number of convictions 	Achieved	No enforcement action	No enforcement action

Notes:

- This measurement refers to reliability of the city's sewerage system.
- There were 19 dry weather overflow events during the year, all of which were investigated and fixed. Most were due to pipe blockages in the local wastewater network. This measure now includes non-notifiable contained overflows which were not previously reported.

Major projects planned: Wastewater

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital To Meet Additional Demand	Annual Plan 2020-21 \$000
Trunk Type B Asset Development	5,119
Trunk Main Outfall Pipeline Overflow Mitigation	882
Trunk Type A Asset Development	3,473

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
Trunk Type B Asset Development	2,194
Trunk Main Outfall Pipeline Overflow Mitigation	378
Trunk Type A Asset Development	1,489

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$000
Network Upgrades	150
Control Systems Renewals	6
Trunk DBO Asset Replacement Fund	881
Trunk DBO Network Cyclic Replacement	59
Trunk Non-DBO Sewer Renewals	300
Trunk Non-DBO Minor Works	164
Trunk Network Improvement Plan	200
Trunk Resource Consent Renewals	40
Wastewater Modelling	300
Network Renewals	3,350

Operating Projects	Annual Plan 2020-21 \$000
Wastewater Flow Management Wainuiomata	89
Rising Main Vulnerability Assessment	34

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Wastewater

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	1,057	1,080	1,057
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	2,545	2,625	2,113
Development & financial contributions	1,233	856	2,027
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	116	119	116
Other revenue	-	-	-
Total revenue	4,951	4,680	5,313
Expenditure			
Employee costs	-	-	-
Operating costs	12,190	12,563	12,204
Support costs/internal charges	1,000	1,030	858
Interest expenditure	756	1,206	682
Depreciation	7,985	7,623	9,117
Total expenditure	21,931	22,422	22,861
Deficit before tax	(16,980)	(17,742)	(17,548)
Total capital expenditure	8,302	20,914	18,985
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(16,980)	(17,742)	(17,548)
Add capital contributions	(1,233)	(856)	(2,027)
Rate funded debt repayment	-	-	-
Total rates funding requirement	(18,213)	(18,598)	(19,575)
Loan funding requirement			
Capital to meet additional demand	(3,849)	(13,107)	(9,474)
Capital to improve level of service	(1,220)	(4,848)	(4,061)
Capital to replace existing assets	(3,233)	(2,959)	(5,450)
Less capital contributions	1,233	856	2,027
Less UHCC capital contribution	1,619	5,572	4,701
Less depreciation	7,985	7,623	9,117
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	2,535	(6,863)	(3,140)
Total funding requirement	(15,678)	(25,461)	(22,715)



Funding impact statement for the year ending 30 June: Wastewater

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	-	-	-
Targeted rates	18,213	18,598	19,575
Subsidies and grants for operating purposes	2,545	2,625	2,113
Fees and charges	1,057	1,080	1,057
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	119	116
Total operating funding (A)	21,931	22,422	22,861
Applications of operating funding			
Payments to staff and suppliers	12,190	12,563	12,204
Finance costs	756	1,206	682
Internal charges and overheads applied	1,000	1,030	858
Other operating funding applications	-	-	-
Total applications of operating funding (B)	13,946	14,799	13,744
Surplus (deficit) of operating funding (A-B)	7,985	7,623	9,117
Sources of capital funding			
Subsidies and grants for capital expenditure	1,619	5,572	4,701
Development & financial contributions	1,233	856	2,027
Increase (decrease) in debt	(2,535)	6,863	3,140
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	317	13,291	9,868
Application of capital funding			
Capital expenditure			
- to meet additional demand	3,849	13,107	9,474
- to improve level of service	1,220	4,848	4,061
- to replace existing assets	3,233	2,959	5,450
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	8,302	20,914	18,985
Surplus (deficit) of capital funding (C-D)	(7,985)	(7,623)	(9,117)
Funding balance ((A-B)+(C-D))	-	-	-

Stormwater

What we do

We provide a stormwater drainage pipe network to manage the surface water run-off 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.

Wellington Water has identified the need for significant investment in Lower Hutt's 'three waters' which will need to be considered in next year's LTP.

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.



How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with the city stormwater service ¹	83%	≥ 73%	≥ 73%
Achieve water quality at main recreational beaches (Percentage of days during the bathing season, 1 Dec to 31 Mar, that monitored beaches are suitable for recreational use)	100%	90% of days	90% of days
Number of flooding events (where stormwater enters a habitable floor)	1	0 flooding events	0 flooding events
Number of habitable floors flooded (compliant with District Plan)	0.08 ²	0 out of 1000 connections per flooding event	0 out of 1000 connections per flooding event
Number of complaints about stormwater system performance	11	≤ 30 per 1000 connections	≤ 30 per 1000 connections
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	52 minutes	≤ 60 minutes	≤ 60 minutes
Compliance with resource consents for discharges from stormwater system: <ul style="list-style-type: none"> • number of abatement notices • number of infringement notices • number of enforcement orders • number of convictions 	Achieved	No enforcement action	No enforcement action

Notes:

1. This measurement refers to reliability of the city's stormwater system.
2. There were three confirmed habitable floors affected in the flooding event on 7 April 2019 in Eastbourne. It is proposed to develop a stormwater catchment study to identify flooding issues in the Eastbourne catchment and this will be prioritised with the other projects.

Major projects planned: Stormwater

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital To Meet Additional Demand	Annual Plan 2020-21 \$'000
Awamutu Stream	99
Beach Stormwater Outlets	43
Network Upgrades	316

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$'000
Awamutu Stream	894
Beach Stormwater Outlets	382
Network Upgrades	2,844
Water Resilience	89

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$'000
Control Systems Renewals	10
Stormwater Network Modelling	573
Network Renewals	976
Pump Station Reactive Renewals	50

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Stormwater

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Revenue			
General rates & other rate charges	-	-	-
User charges	12	12	12
Operating subsidies & grants	8	9	8
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	151	80	250
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	116	119	116
Other revenue	-	-	-
Total revenue	287	220	386
Expenditure			
Employee costs	-	-	-
Operating costs	3,904	3,875	4,230
Support costs/internal charges	368	373	243
Interest expenditure	323	436	311
Depreciation	4,317	4,199	4,984
Total expenditure	8,912	8,883	9,768
Deficit before tax	(8,625)	(8,663)	(9,382)
Total capital expenditure	3,394	4,364	6,276
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(8,625)	(8,663)	(9,382)
Add capital contributions	(151)	(80)	(250)
Rate funded debt repayment	-	-	-
Total rates funding requirement	(8,776)	(8,743)	(9,632)
Loan funding requirement			
Capital to meet additional demand	(260)	(282)	(458)
Capital to improve level of service	(1,853)	(3,599)	(4,209)
Capital to replace existing assets	(1,281)	(483)	(1,609)
Less capital contributions	151	80	250
Less UHCC capital contribution	-	-	-
Less depreciation	4,317	4,199	4,984
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	1,074	(85)	(1,042)
Total funding requirement	(7,702)	(8,828)	(10,674)

Funding impact statement for the year ending 30 June: Stormwater

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	8,776	8,743	9,632
Targeted rates	-	-	-
Subsidies and grants for operating purposes	8	9	8
Fees and charges	12	12	12
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	119	116
Total operating funding (A)	8,912	8,883	9,768
Applications of operating funding			
Payments to staff and suppliers	3,904	3,875	4,230
Finance costs	323	436	311
Internal charges and overheads applied	368	373	243
Other operating funding applications	-	-	-
Total applications of operating funding (B)	4,595	4,684	4,784
Surplus (deficit) of operating funding (A-B)	4,317	4,199	4,984
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	151	80	250
Increase (decrease) in debt	(1,074)	85	1,042
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	(923)	165	1,292
Application of capital funding			
Capital expenditure			
- to meet additional demand	260	282	458
- to improve level of service	1,853	3,599	4,209
- to replace existing assets	1,281	483	1,609
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	3,394	4,364	6,276
Surplus (deficit) of capital funding (C-D)	(4,317)	(4,199)	(4,984)
Funding balance ((A-B)+(C-D))	-	-	-



Solid Waste

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.

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.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with:			
• rubbish collection	94%	≥ 93%	≥ 93%
• refuse disposal	91%	≥ 85%	≥ 85%
No resource consent-related infringement notices received from GWRC	100% compliance	100% compliance	100% compliance

Major projects planned: Solid Waste

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
Silverstream Landfill Building Improvements	350
Cleanfill Site Development	5
Silverstream Landfill Stg 2 Design & Construction	4,049

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Solid Waste

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	15,155	14,562	15,155
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	5	526	5
Total revenue	15,160	15,088	15,160
Expenditure			
Employee costs	59	-	69
Operating costs	7,973	7,528	8,839
Support costs/internal charges	318	333	368
Interest expenditure	382	477	656
Depreciation	984	1,119	1,051
Total expenditure	9,716	9,457	10,983
Deficit before tax	5,444	5,631	4,177
Total capital expenditure	4,540	4,042	4,404
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	5,444	5,631	4,177
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	5,444	5,631	4,177
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	(4,540)	(4,042)	(4,404)
Capital to replace existing assets	-	-	-
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	984	1,119	1,051
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	(3,556)	(2,923)	(3,353)
Total funding requirement	1,888	2,708	824

Funding impact statement for the year ending 30 June: Solid Waste

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(6,781)	(7,024)	(5,514)
Targeted rates	1,337	1,393	1,337
Subsidies and grants for operating purposes	-	-	-
Fees and charges	15,155	14,562	15,155
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	526	5
Total operating funding (A)	9,716	9,457	10,983
Applications of operating funding			
Payments to staff and suppliers	8,032	7,528	8,908
Finance costs	382	477	656
Internal charges and overheads applied	318	333	368
Other operating funding applications	-	-	-
Total applications of operating funding (B)	8,732	8,338	9,932
Surplus (deficit) of operating funding (A-B)	984	1,119	1,051
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase (decrease) in debt	3,556	2,923	3,353
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	3,556	2,923	3,353
Application of capital funding			
Capital expenditure	-	-	-
- to meet additional demand	-	-	-
- to improve level of service	4,540	4,042	4,404
- to replace existing assets	-	-	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,540	4,042	4,404
Surplus (deficit) of capital funding (C-D)	(984)	(1,119)	(1,051)
Funding balance ((A-B)+(C-D))	-	-	-



City Growth | Whanake Tāone



City Environment

What we do

An urban environment that is sensitive to the environment and that will enhance the city's image, attracting people, businesses and investment is essential to meeting our community's needs and aspirations now and into the future. To support this we:

- partner with iwi, community, and stakeholders to plan for the city's future in the long term
- partner to enable innovation, creativity, and opportunity
- work with owners to protect and enhance built heritage and character
- develop, review, implement and monitor the District Plan.

Why we do it

Our District Plan is about supporting the aspirations and ambitions of our people and encouraging and facilitating growth that reflects our values of sustainability, creativity, sense of identity, fairness, diversity, opportunity, and access to a good quality of life for all.

We recognise that our city must evolve in response to changing needs of community, commerce, government, and the natural environment. Our work is in a constant state of progress and renewal. Our goal is to have a city where all of our residents thrive. We also manage our obligations under the Resource Management Act through the District Plan.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Making Places: RiverLink Project	Not achieved ¹	Late 2020 ³	Late 2020
• Lodgement of Resource Consent applications: January 2019	Not achieved ²	Mid 2022 ³	Mid 2022
• Start construction: February 2020			
Residents feel a sense of pride in the way the city looks and feels	87%	≥ previous results	≥ previous results
Residents' satisfaction with:			
• litter control	86%	≥ 86%	≥ 86%
• recycling	87%	≥ 86%	≥ 86%
Percentage of households that have used the recycling service in the previous 12 months	86%	≥ 86%	≥ 86%
Tonnes of recycling collected ⁴ per annum	8,144	Increasing	Increasing
Percentage of Plan Changes and Notices of Requirement processed within statutory requirements	100%	100%	100%

Notes:

1. RiverLink timing was delayed to allow NZTA's process for Melling Interchange to catch up.
2. Construction to start mid 2022 pending consultation and processing of RMA consent application.
3. RiverLink project targets have been adjusted to reflect the decisions outlined in notes 1 and 2.
4. The word 'collected' has been added to increase accuracy.

Major projects planned: City Environment

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
RiverLink - Promenade & Urban Improvements	5,430
Suburban Shopping Centres Improvements	340

Operating Projects	Annual Plan 2020-21 \$000
Heritage Incentives	52
Sculpture Trust	50
Petone 2040	135
District Plan Work Additional Funding	1,350



Prospective statement of comprehensive revenue and expense for the year ending 30 June: City Environment

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	82	224	82
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	-	104	-
Total revenue	82	328	82
Expenditure			
Employee costs	651	654	398
Operating costs	2,979	603	2,185
Support costs/internal charges	507	512	677
Interest expenditure	1,616	1,686	322
Depreciation	122	1,406	813
Total expenditure	5,875	4,861	4,395
Deficit before tax	(5,793)	(4,533)	(4,313)
Total capital expenditure	3,300	3,523	5,770
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(5,793)	(4,533)	(4,313)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(5,793)	(4,533)	(4,313)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	(3,300)	(3,440)	(5,770)
Capital to replace existing assets	-	(83)	-
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	122	1,406	813
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	(3,178)	(2,117)	(4,957)
Total funding requirement	(8,971)	(6,650)	(9,270)

City Development

What we do

It's vital for the city's ongoing development and growth that the city's economy punches above its weight. We take a lead role in promoting Lower Hutt 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 Lower Hutt
- Contributing to regional growth through regional economic development
- Providing quality online and digital experiences to our customers
- Building our reputation and community as a hub for cutting-edge science, engineering and technology business
- Providing opportunities for businesses to partner with Council and community.

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 Lower Hutt as a business location and vibrant city, we generate benefits for local enterprises and our residents. Activities that celebrate the city's history, the things that make Lower Hutt tick, make the city a more vibrant and interesting place, and attract visitors from outside the city.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Urban Growth Strategy			
• population growth (to achieve population increase of 110,00 by 2032)	1.1% ¹	≥ 0.6% per annum	≥ 0.6% per annum
• number of new homes (to achieve 6000 new homes by 2032)	224 (Not achieved)	≥ 328 new homes per annum	≥ 328 new homes per annum
Lower Hutt's economic performance:			
• Number of businesses in Lower Hutt	10,365	11,000 by 2028	11,000 by 2028
• Employment in medium/high-tech sector	3,819	4,600 by 2028	4,600 by 2028
• Medium/high-tech businesses as a percentage of total business numbers in Lower Hutt	9.6% (1,056)	10% (1,100) by 2028	10% (1,100) by 2028
Number of businesses in medium and high-tech sector	993	1,100 by 2028	1,100 by 2028
Major events in Lower Hutt ²			
• Number of people attending events supported by the major event fund	158,500	100,000	No event ³
Minor events in Lower Hutt ⁴			
• Number of events supported through the event support fund	35 events supported	25 events	25 events
Commercial event attraction			
• The combined economic benefit of commercial events secured to take place in Lower Hutt	5,041,000	\$1million pa	\$1million pa

Notes:

1. Population estimates are published in October each year: data provided is latest available at time of publication.
2. The major event fund is used for Council owned events, as well as providing support to other events that take place in our city.
3. There will be no major event in 2021 as the major event fund was cut.
4. The event support fund (previously named minor events fund) is a grant fund that community event organisers can apply to for support.

Major projects planned: City Development

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital To Meet Additional Demand	Annual Plan 2020-21 \$000
Urban Growth Strategy Improvements	1,450

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
Vehicle Purchase	73

Operating Projects	Annual Plan 2020-21 \$000
Jackson Street Programme	138
Events Funding	126
International Co-operating Cities	5
Economic Development Strategy	85
Research - Monitoring & Evaluation of Outcomes	30
Love Wainuiomata	145
Hutt Valley Chamber of Commerce	100
Economic Development Contestable Fund	44
Science & Technology	120
Development Stimulus Package	4,186
CBD Place Maker	100
Urban Growth Strategy	50
1st Assembly (Start Up Hub)	100
Technology Valley	130
Naenae CBD Activation	300
Southend Business Group	40



Prospective statement of comprehensive revenue and expense for the year ending 30 June: City Development

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	126	64	242
Operating subsidies & grants	55	57	20
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	388	328	198
Total revenue	569	449	460
Expenditure			
Employee costs	2,238	2,077	1,908
Operating costs	9,882	2,785	6,861
Support costs/internal charges	669	663	1,140
Interest expenditure	33	266	2
Depreciation	12	2,504	33
Total expenditure	12,834	8,295	9,944
Deficit before tax	(12,265)	(7,846)	(9,484)
Total capital expenditure	1,450	3,168	1,523
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(12,265)	(7,846)	(9,484)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(12,265)	(7,846)	(9,484)
Loan funding requirement			
Capital to meet additional demand	(1,450)	(3,168)	(1,450)
Capital to improve level of service	-	-	(73)
Capital to replace existing assets	-	-	-
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	12	2,504	33
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	(1,438)	(664)	(1,490)
Total funding requirement	(13,703)	(8,510)	(10,974)

Consents and Regulatory Services

What we do

This activity is focused on regular monitoring to ensure compliance with legislative requirements, the District Plan, resource and building consent conditions and bylaw requirements to support a well-functioning city and includes:

- providing resource management and building consents and inspections
- inspections of business and food premises, certifications, and liquor licensing bylaw compliance
- pollution and trade waste control
- monitoring beaches and rivers to promote and protect public health and safety
- monitoring and controlling noise and hazardous substances
- monitoring and enforcement action in relation to earthquake prone buildings to ensure compliance with the Building Act
- animal control services
- parking enforcement
- providing free eco-design advice to encourage warm, dry and sustainable buildings
- onsite compliance schedule auditing to ensure specified systems (e.g. fire alarms, lifts) are performing in accordance with relevant building regulations
- onsite auditing of domestic swimming pool barriers to ensure they are safe and fit for purpose.

Why we do it

A clean, healthy, attractive and sustainable environment for residents and visitors is fundamental to a well-functioning city where people treat each other and their environment with respect. Council also has legal responsibilities to deliver many of these services.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Land Information Memoranda (LIMs) processed within 10 working days to comply with statutory requirements	98% processed within nine working days	≥ 95% processed within nine working days	≥ 95% processed within nine working days
Building consent/project information and resource consents processed to comply with the Building Code, Resource Management Act 1991 (RMA) and District Plan requirements	96% of building consents 55% non-notified land use resource consents ¹	≥ 80% of building and non-notified land use consents processed within 18 working days	≥ 80% of building and non-notified land use consents processed within 18 working days
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	100% within five working days 100% within six months of the consent being granted	≥ 90% of resource consents monitored within these timeframes	≥ 90% of resource consents monitored within these timeframes
Requests for service referred to RMA monitoring and enforcement team responded to within required timeframes	100%	100% acknowledged within 24 hours	100% acknowledged within 24 hours
Building consents for fireplaces processed in a timely manner	100%	100% processed within five working days	100% processed within five working days
Building consents for solar panels processed in a timely manner	100%	100% processed within five working days	100% processed within five working days
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act 2004	100% within 20 working days 99% within 18 working days	80% issued within 18 working days	80% issued within 18 working days
User satisfaction with Eco-Design Advisor home visit service	New measure for 2020-21	New measure for 2020-21	≥ 90%

Notes:

1. Due to complexity and unprecedented number of consents, this was unable to be met. There was a 15% increase in non-notified consents issues in 2018/19 compared to previous year, i.e. 352 non-notified land use resource consents in 2019 compared to 302 in 2018.

How we measure the success of our services (continued)

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with:			
• animal services	86%	≥ 80%	≥ 80%
• enforcement of parking restrictions	81%	≥ 70%	≥ 70%
Animal services open 300 days per year	100%	100%	100%
Dog complaints are responded to:			
• At least 95% within 30 minutes for dog attacks	Not recorded	≥ 95%	≥ 95%
• At least 95% within 24 hours for other complaints	Not recorded	≥ 95%	≥ 95%
Noise complaints responded to within 45 minutes	86%	≥ 85%	≥ 85%
New food businesses verified within six weeks of the date of registration under the Food Act 2014	0% ¹	95%	95%
Existing food businesses verified within five months of their agreed timeframes (between 3 to 18 months, depending upon the outcome of their previous verification)	5.6% ²	95%	95%
High risk premises within Lower Hutt ³ selling liquor are inspected during their peak trading hours to maintain compliance with the Sale and Supply of Alcohol Act 2012	98%	95%	95%

Notes:

1. Target set for 2018-19 was not able to be achieved due to resourcing issues experienced during 2018-19.
2. Target set for 2018-19 was worded 'Existing food premises verified within their agreed timeframes (between 3 to 18 months, depending upon the outcome of their previous verification)' and was not able to be achieved due to resourcing issues experienced during 2018-19.
3. This measure applies to high risk premises in Lower Hutt only. HCC has a contract with UHCC however these premises are not included.

Major projects planned: Consents and Regulatory Services

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
Dog Park	480
Vehicle Purchase	126

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Consents and Regulatory Services

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	7,702	5,796	7,652
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	1,149	1,180	1,172
Total revenue	8,851	6,976	8,824
Expenditure			
Employee costs	7,397	7,086	6,841
Operating costs	1,867	1,785	1,987
Support costs/internal charges	2,127	2,020	3,245
Interest expenditure	14	9	9
Depreciation	90	62	44
Total expenditure	11,495	10,962	12,126
Deficit before tax	(2,644)	(3,986)	(3,302)
Total capital expenditure	-	-	606
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(2,644)	(3,986)	(3,302)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(2,644)	(3,986)	(3,302)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	-	-	(606)
Capital to replace existing assets	-	-	-
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	90	62	44
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	90	62	(562)
Total funding requirement	(2,554)	(3,924)	(3,864)

Funding impact statement for the year ending 30 June: City Growth

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	20,565	16,222	16,960
Targeted rates	137	143	139
Subsidies and grants for operating purposes	55	57	20
Fees and charges	7,910	6,084	7,976
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,537	1,612	1,370
Total operating funding (A)	30,204	24,118	26,465
Applications of operating funding			
Payments to staff and suppliers	25,014	14,990	20,180
Finance costs	1,663	1,961	333
Internal charges and overheads applied	3,303	3,195	5,062
Other operating funding applications	-	-	-
Total applications of operating funding (B)	29,980	20,146	25,575
Surplus (deficit) of operating funding (A-B)	224	3,972	890
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase (decrease) in debt	4,526	2,719	7,009
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	4,526	2,719	7,009
Application of capital funding			
Capital expenditure			
- to meet additional demand	1,450	3,168	1,450
- to improve level of service	3,300	3,440	6,449
- to replace existing assets	-	83	-
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	4,750	6,691	7,899
Surplus (deficit) of capital funding (C-D)	(224)	(3,972)	(890)
Funding balance ((A-B)+(C-D))	-	-	-



Leisure and Wellbeing Ngā Mahi a Te Rēhia



Integrated Community Services

Our people's cultural, physical, social and educational wellbeing is important. Healthy, well educated people who feel empowered to live and celebrate their cultural self, socialise with one another locally, city-wide or regionally can and should be this city's key strength.

What we do

Council supports our people's cultural, physical, social and educational wellbeing through the many services and activities provided through our community facilities. Our eight libraries located across the city support the delivery of free access to wi-fi and computer literacy training and youth focused access to technology with the Computer Clubhouse. The Petone Community Library provides a focus for heritage collections and services. The Dowse Art Museum is a nationally and internationally recognised art museum and the Petone Settlers Museum/Te Whare Whakaaro occupies one of New Zealand's most significant memorial buildings, the Wellington Provincial Centennial Memorial.

A range of community based recreational programmes and events designed to remove barriers to participation encourage residents to engage in activities and the three integrated community hubs or facilities provide 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. More opportunities to socialise and exercise are provided through our swimming pools, community halls and community gyms.

Why we do it

Our range of community facilities gives our people access to many things that contribute to the wellbeing of individuals and communities: information, knowledge, arts and culture and sport and recreation. They also provide a growing range of support, including enabling people to access digital services provided by Council and others. 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 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.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Libraries			
Percentage of residents who have used library services during the last 12 months	70%	≥ 72%	≥ 72%
Residents' satisfaction with library services	99%	≥ 96%	≥ 96%
Number of physical visits per year ¹	1,303,639	Over 1,000,000	Over 1,000,000
Number of visits via the internet per year			
• Libraries online visits	453,170	500,000	500,000
• Sessions on Connect ²	146,038	110,000	110,000
Library stock turnover	4.4 ³		
≥ national mean	(national mean 3.1)	≥ national mean	≥ national mean
Number of participants that library programmes and events are delivered to	62,868	≥ 40,000	≥ 40,000
Museums			
Number of total museum visits per year	199,399 (Dowse: 185,968 Petone Settlers: 13,431)	≥ 215,000	≥ 215,000
Residents' satisfaction with the Dowse Art Museum	95%	≥ 87%	≥ 87%
Residents' satisfaction with the Petone Settlers Museum	97%	≥ 89%	≥ 89%
Public education programmes delivered that meet the needs and expectations of community and school groups			
• Number of participants public education programmes delivered to	10,481	5,500	5,500
• Participant satisfaction with public education programmes	97%	≥ 90%	≥ 90%

How we measure the success of our services (continued)

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Aquatics and recreation			
Residents' satisfaction with pools	95%	≥ 92%	≥ 92%
Number of swimming pool visits per year	957,325 ⁴	900,000	900,000
POOLSAFE accreditation for swimming pool operation ⁵	Accreditation maintained	Accreditation maintained	Accreditation maintained
Cost per visit to Council of aquatic services provided	\$5.44 ⁶	\$5.00	\$5.00
Community Hubs, Relationships and Projects			
Residents' perceptions of Lower Hutt in terms of their sense of safety:	84%	≥ 79%	≥ 79%
• in their local neighbourhood during the day	94%		
• in their local neighbourhood after dark	77%		
• in the Lower Hutt centre during the day	97%		
• in the Lower Hutt centre after dark	67%		
Community organisations' satisfaction with the availability and quality of our funding service (29 responses)	97%	≥ 90%	≥ 90%
Number of visits per year to Community Hubs:			
• Walter Nash Centre	848,834	≥ 750,000	≥ 750,000
• Wainuiomata Community Hub	292,745	≥ 300,000	≥ 300,000
• Koraunui Stokes Valley Community Hub	254,235	≥ 250,000	≥ 250,000
Satisfaction with Community Hubs:			
• Walter Nash Centre facilities	98%	≥ 90%	≥ 90%
• Wainuiomata Community Hub facilities	95%	≥ 90%	≥ 90%
• Koraunui Stokes Valley Community Hub facilities	93%	≥ 90%	≥ 90%
Satisfaction with Naenae Bowling Club	New measure for 2020-21	New measure for 2020-21	≥ 90% satisfied
Significant events at Walter Nash Centre	10 significant events	3 or more significant events held each year	3 or more significant events held each year

Notes

- Includes visits to all Lower Hutt Libraries except Stokes Valley.
- Previously called Pay sessions on Connect.
- Benchmarked against Public Libraries of New Zealand (PLNZ) annual data collection statistics. Shows that our library stock turnover is at least equal to or better than is achieved nationally.
- Negatively affected by closure of Naenae Pool.
- Accreditation, including quality standards for health and safety, water quality, supervision, pool building and operation, signage and other standards.
- Negatively affected by Living Wage and closure of Naenae Pool.

Major projects planned: Integrated Community Services

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$'000
Civic Events Centre Improvements	144
Community Halls Improvements	235
Community Hubs - Improvements	170
Community Panel Projects	457
Dowse New Artworks	45
Huia Pool Fitness Suite Equipment Replacement	150
Huia Pool Replace Roof Membranes	250
Libraries Buildings Improvements	38
Little Theatre Improvements	22
Naenae Community Facilities	500
Naenae Pool Major Refurbishment	173
Walter Nash Centre Equipment and Fitout	30
Vehicle Purchase	31

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$'000
Civic Events Centre Renewals	45
Dowse Carpets and Soft Furnishings Gallery and Office	65
Community Hubs - Interior & Exterior Renewals	15
Community Hubs - Furniture & Equipment Replacements	5
Community Houses Building Renewals	40
CBD Community Resource Centre	40
CCTV Replacement	30
Dowse Building Repair and Repaint	114
Dowse Office Furniture and Equipment	15
Dowse Gallery Lighting	30
Dowse Building and Plant Renewals	81
Dowse Museum Renewals	115
Community Halls External and Internal Renewals	72
Huia Pool Coloursteel Roof Replacement	280
Furniture and Equipment Replacement Programme Libraries	41
Libraries Interior and Exterior Renewals	384
Replace Library Shelving	50
Libraries Stock Replacement	680
Other Pool Projects	410
Petone Settlers Museum Exhibition Furniture and Fittings	5
Petone Settlers Museum Building & Plant Renewals	27

Capital Projects To Replace Existing Assets (continued)	Annual Plan 2020-21 \$'000
Stokes Valley Hub Renewals	10
Stokes Valley Pool Roof Replacement	400
Walter Nash Centre Renewals	130

Operating Projects	Annual Plan 2020-21 \$'000
Community Houses Funding	5
Marae Funding	200
Arts & Culture Funding	40
Scholarships	10
Events Funding	18
Hutt City Youth Council	10
Safety Initiatives	334
Social Development Projects	100
Regional Grants	33
Tamaiti Whangai Grant	20
Waiwhetu Marae Scholarship	5
Wellington Free Ambulance	100
North East Projects	10
Youth Partnership Fund	3
Sport Wellington Long Term Regional Strategy	15
New Arts Funding	63
Volunteer Hutt	5
Kakano Fund	70
Mauri Ora Fund	713
Community Resilience	300
Healthy Families - Action	90
Naenae Community Activities	100
Sportsville Wainuiomata	50
Emergency Relief Grant	75



Prospective statement of comprehensive revenue and expense for the year ending 30 June: Integrated Community Services

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Revenue			
General rates & other rate charges	-	-	-
User charges	5,390	6,042	4,457
Operating subsidies & grants	138	123	108
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	2,044	1,645	2,144
Total revenue	7,572	7,810	6,709
Expenditure			
Employee costs	14,323	14,852	13,642
Operating costs	9,738	9,173	12,190
Support costs/internal charges	4,995	4,439	5,788
Interest expenditure	991	967	1,451
Depreciation	5,329	4,253	5,221
Total expenditure	35,376	33,684	38,292
Deficit before tax	(27,804)	(25,874)	(31,583)
Total capital expenditure	14,564	13,710	5,328
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(27,804)	(25,874)	(31,583)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(27,804)	(25,874)	(31,583)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	(10,876)	(10,348)	(2,245)
Capital to replace existing assets	(3,688)	(3,362)	(3,083)
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	5,329	4,253	5,221
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	(9,235)	(9,457)	(107)
Total funding requirement	(37,039)	(35,331)	(31,690)

Parks and Reserves

What we do

Access to a range of parks creates opportunities for public enjoyment and supports wellbeing. Access is largely free of charge and the city offers recreation areas that are both natural and developed. A lot of focus is on maintaining developed areas and retaining bush land in its natural state. We also look after cemeteries, beaches, playgrounds and wharves.

Why we do it

It is vital to wellbeing that people have opportunities to exercise. Parks, reserves, sportsgrounds, street gardens and street trees help to create a pleasant environment in which people can live, learn, work and play. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents' satisfaction with:			
• sports grounds	95%	≥ 95%	≥ 95%
• parks, reserves and gardens	96%	≥ 95%	≥ 95%
• cemeteries	97%	≥ 95%	≥ 95%
Sportsfields - scheduled sports games that take place	95%	≥ 90%	≥ 90%
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months	85%	≥ 85%	≥ 85%

Major projects planned: Parks and Reserves

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$'000
Parks & Gardens Protection Bollards	5
Bell Park Development	250
Days Bay Wharf Refurbishment	2,200
Fraser Park Reinstatement	250
Mountain Bike Park	50
Minoh Friendship House Improvements	60
Manor Park Cycle Trail	370
New Tracks & Track Upgrades	100
Valley Floor Review Implementation	420
Toilets Upgrade	140
Te Whiti Park Building Extension	900
Wainuiomata Welcome Sign	30

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$'000
Korohiwa Bus Barn Renewals	60
Seats & Bins	60
Parks Hard Surfaces Renewals	250
Parks Signage & Interpretation	30
Playgrounds	355
Sportsground Buildings Renewals	220
Track Renewals	30

Operating Projects	Annual Plan 2020-21 \$'000
Hutt Valley Tennis - Mitchell Park	500
Biodiversity Assistance for Private Landowners	200

Prospective statement of comprehensive revenue and expense for the year ending 30 June: Parks and Reserves

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	3,273	1,921	2,752
Operating subsidies & grants	5	6	5
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	-	-	-
Total revenue	3,278	1,927	2,757
Expenditure			
Employee costs	751	826	692
Operating costs	11,524	10,120	11,614
Support costs/internal charges	710	715	921
Interest expenditure	862	818	711
Depreciation	2,737	1,904	2,653
Total expenditure	16,584	14,383	16,591
Deficit before tax	(13,306)	(12,456)	(13,834)
Total capital expenditure	7,378	1,649	5,780
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(13,306)	(12,456)	(13,834)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(13,306)	(12,456)	(13,834)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	(6,353)	(706)	(4,775)
Capital to replace existing assets	(1,025)	(943)	(1,005)
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	2,737	1,904	2,653
Less asset sales	2,123	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	(2,518)	255	(3,127)
Total funding requirement	(15,824)	(12,201)	(16,961)



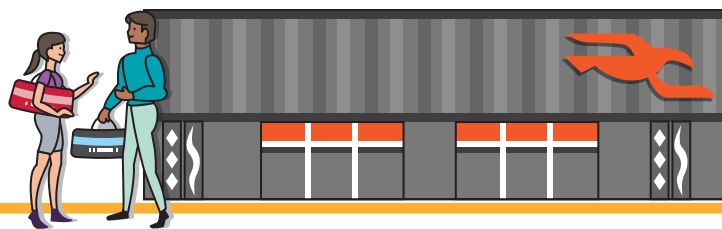
Community Facilities Development

What we do

The Long Term Integrated Facilities Plan, developed in 2015, guides investment in community facilities development in the city. The Hutt City Community Facilities Trust (CFT) is a Council Controlled Organisation which was established to lead implementation of the Integrated Community Facilities Plan. It has assisted Council to deliver facilities like Walter Nash and Koraunui Stokes Valley Community Hubs. While these projects have been successfully delivered, others have not been as straight forward. It's clear that the Integrated Community Facilities Plan needs reviewing.

Why we do it

Integrated facilities are defined as 'a series of integrated community hubs' that cluster civic, social and sporting facilities into more user-friendly, efficient and well utilised centres that fit the needs of the communities that make up Lower Hutt now and into the future. Community hubs can be multipurpose centres providing access to a range of high quality and cost effective services to the local community, with the potential to develop new services in response to changing community needs. It is important that the significant investment made in community hubs enables and supports the communities they are in.



How we measure the success of our services

Measure	Actual performance 2019-20	Target 2019-20	Target 2020-21
Ricoh Sports Centre	New measure for 2020-21	New measure for 2020-21	User satisfaction with Ricoh Sports Centre facilities \geq 90%
Community Facilities Trust <ul style="list-style-type: none"> Operating and capital expenditure within budget 	Not achieved ¹	Operating and capital expenditure within budget	Operating and capital expenditure within budget
<ul style="list-style-type: none"> 100% of Council accountability requirements met 	Not achieved ²	100% of Council accountability requirements met	100% of Council accountability requirements met

Notes

- Operating expenditure over budget due to a grant paid to Fraser Park Sportsville for fit-out of Ricoh Sports Centre (unbudgeted). Capital expenditure over budget due to late completion and contract variations at the Ricoh Sports Centre, resulting in higher than planned costs.
- Failure to issue Statement of Intent for the year beginning 1 July 2019, by 30 June 2019 in accordance with Section 64 Clause 8 of the Local Government Act 2002.

Major projects planned: Community Facilities Development

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Operating Projects	Annual Plan 2020-21 \$'000
CFT Operating Grant	250
CFT Hutt Valley GymSports	500

Prospective statement of comprehensive revenue and expense
for the year ending 30 June: Community Facilities Development

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	-	-	-
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	60	-	59
Total revenue	60	-	59
Expenditure			
Employee costs	-	-	-
Operating costs	5,825	804	1,250
Support costs/internal charges	-	-	-
Interest expenditure	627	847	552
Depreciation	-	367	-
Total expenditure	6,452	2,018	1,802
Deficit before tax	(6,392)	(2,018)	(1,743)
Total capital expenditure	-	313	-
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(6,392)	(2,018)	(1,743)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(6,392)	(2,018)	(1,743)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	-	(313)	-
Capital to replace existing assets	-	-	-
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	-	367	-
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	-	54	-
Total funding requirement	(6,392)	(1,964)	(1,743)

Funding impact statement for the year ending 30 June:
Leisure and Wellbeing

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	47,502	40,348	47,160
Targeted rates	-	-	-
Subsidies and grants for operating purposes	143	129	113
Fees and charges	8,663	7,963	7,209
Internal charges and overheads recovered	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	2,104	1,645	2,203
Total operating funding (A)	58,412	50,085	56,685
Applications of operating funding			
Payments to staff and suppliers	42,161	35,775	39,388
Finance costs	2,480	2,632	2,714
Internal charges and overheads applied	5,705	5,154	6,709
Other operating funding applications	-	-	-
Total applications of operating funding (B)	50,346	43,561	48,811
Surplus (deficit) of operating funding (A-B)	8,066	6,524	7,874
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase (decrease) in debt	11,753	9,148	3,234
Gross proceeds from sale of assets	2,123	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	13,876	9,148	3,234
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	17,229	11,367	7,020
- to replace existing assets	4,713	4,305	4,088
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	21,942	15,672	11,108
Surplus (deficit) of capital funding (C-D)	(8,066)	(6,524)	(7,874)
Funding balance ((A-B)+(C-D))	-	-	-

Sustainability | Toitūtanga

City Resilience

What we do

We all want a city that is 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, for both mitigation (reducing emissions) and adaptation (adapting to the forecast impacts of climate change, such as sea level rise). In order to walk the talk, in December 2018, Council agreed to set an organisational target for reducing its greenhouse gas emissions to net zero by no later than 2050. This was later passed into law. Council is working to reduce its use of high-carbon emitting technology, carefully considering climate change objectives in its procurement and increasingly electrifying its fleet. We are also involved in regional initiatives, through activities including the Wellington Region Climate Change Working Group and the Wellington Regional Natural Hazards Strategy.

We also work with Civil Defence and Emergency Management (CDEM) Group under the CDEM Act 2002 providing the key contact point for the Hutt Valley, maintaining the Wellington Region CDEM Group's Emergency Operation Centres so they can be quickly activated to manage an emergency event.

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. We have some way to go in developing responses to issues such as sea level rise and in terms of our approach to waste management. However we are talking to our communities most at risk about how we will respond as a community to sea level rise and we are working regionally to deliver a regional Waste Minimisation Bylaw. We will be talking with our people about new approaches to recycling and managing solid waste later in 2020.

Our approach to emergency management is based on the principles of reduction of risk, readiness, response and recovery. A CDEM group plan has been agreed by all parties, setting out the plan to improve resilience in the community.

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Percentage of households that are prepared for a civil defence emergency ¹	20%	2019-20 ≥ 40% 2020-22 ≥ 50%	2020-22 ≥ 50%
Time to activate Emergency Operations Centres (EOC)	Achieved	EOC activated within one hour of any incident or notification of a likely threat	EOC activated within one hour of any incident or notification of a likely threat
Community Response Plans are developed, maintained, and agreed	83%	Covering 90% of the geographical area	Covering 90% of the geographical area

Notes:

- Supporting residents to be resilient and prepared for a civil defence emergency is a priority for Council. Our definition of "prepared" is based on guidelines issued by Wellington Regional Emergency Management Office. 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.

Major projects planned: City Resilience

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service		Annual Plan 2020-21 \$000
105 Western Hutt Road ERT Facility		250

Capital Projects To Replace Existing Assets		Annual Plan 2020-21 \$000
Generators - Backup Power Supply		110

Operating Projects		Annual Plan 2020-21 \$000
Waste Minimisation Projects		400
Environmental Sustainability Projects		171
Keep Hutt Beautiful		15
Climate Change Engagement		250

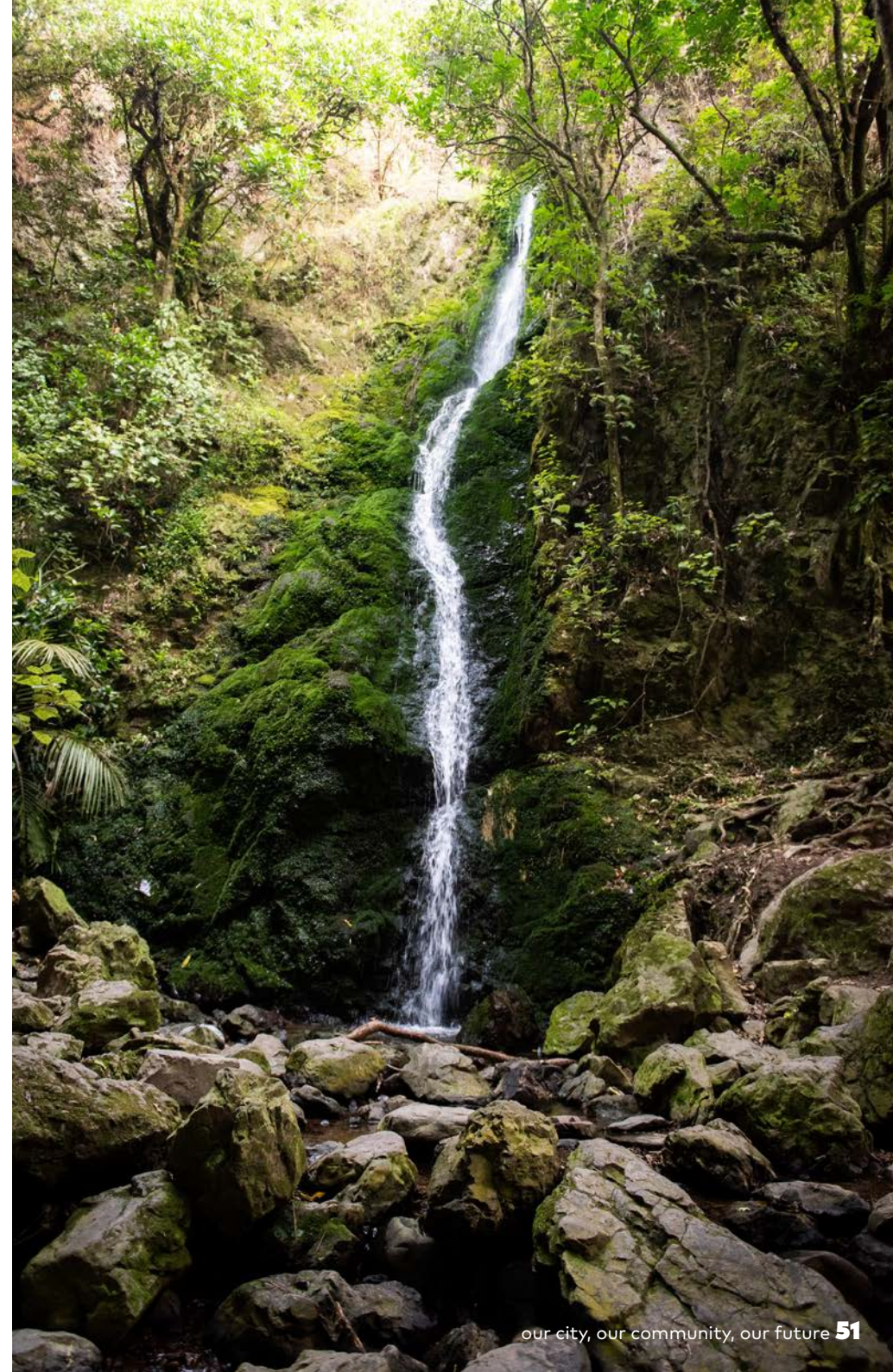


Prospective statement of comprehensive revenue and expense for the year ending 30 June: City Resilience

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	-	-	-
User charges	-	-	-
Operating subsidies & grants	-	-	53
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	419	428	415
Total revenue	419	428	468
Expenditure			
Employee costs	278	278	330
Operating costs	1,451	1,149	1,463
Support costs/internal charges	153	154	352
Interest expenditure	6	1	6
Depreciation	1	2	33
Total expenditure	1,889	1,584	2,184
Deficit before tax	(1,470)	(1,156)	(1,716)
Total capital expenditure	267	-	360
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(1,470)	(1,156)	(1,716)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(1,470)	(1,156)	(1,716)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	-	-	(250)
Capital to replace existing assets	(267)	-	(110)
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	1	2	33
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	(266)	2	(327)
Total funding requirement	(1,736)	(1,154)	(2,043)

Funding impact statement for the year ending 30 June: Sustainability

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,470	1,156	1,716
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	428	415
Total operating funding (A)	1,889	1,584	2,184
Applications of operating funding			
Payments to staff and suppliers	1,729	1,427	1,793
Finance costs	6	1	6
Internal charges and overheads applied	153	154	352
Other operating funding applications	-	-	-
Total applications of operating funding (B)	1,888	1,582	2,151
Surplus (deficit) of operating funding (A-B)	1	2	33
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase (decrease) in debt	266	(2)	327
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	266	(2)	327
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	-	-	250
- to replace existing assets	267	-	110
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	267	-	360
Surplus (deficit) of capital funding (C-D)	(1)	(2)	(33)
Funding balance ((A-B)+(C-D))	-	-	-



Governance, Engagement and Organisation | Kāwanatanga, Ruruku me te Tōpūtanga



City Governance

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.

Our governance structure includes community boards which provide local input into our decision-making.

Why we do it

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

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

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

How we measure the success of our services

Measure	Actual performance 2018-19	Target 2019-20	Target 2020-21
Residents’ satisfaction with the Mayor’s and councillors’ performance	80%	≥ 78%	≥ 78%
Residents’ satisfaction with the way we spend their rates	72%	≥ 71%	≥ 71%
Residents’ satisfaction with our public consultation	62% ¹	≥ 71%	≥ 71%
Councillors are satisfied or more than satisfied with the formal advice they receive from officers	100%	≥ 80%	≥ 80%
Councillors are satisfied or more than satisfied with responses to requests for help from officers	100%	≥ 80%	≥ 80%
Community board and community panel members are satisfied or more than satisfied with the formal advice they receive from officers	100%	≥ 80%	≥ 80%
Community board and community panel members are satisfied or more than satisfied with responses to requests for help from officers	100%	≥ 80%	≥ 80%

Notes:

1. The 2019 final quarter perceptions survey shows that the situation with Naenae Pool has potentially had an impact on people’s perception of Council’s public consultation.



**naenae
whakahī**
SHOP LOCAL

Prospective statement of comprehensive revenue and expense for the year ending 30 June: City Governance

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Revenue			
General rates & other rate charges	-	-	-
User charges	-	-	-
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	-	-	-
Dividends from CCOs	-	-	-
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	234	-	-
Total revenue	234	-	-
Expenditure			
Employee costs	24	-	-
Operating costs	1,679	1,311	1,303
Support costs/internal charges	3,383	3,462	3,822
Interest expenditure	-	-	-
Depreciation	-	-	-
Total expenditure	5,086	4,773	5,125
Deficit before tax	(4,852)	(4,773)	(5,125)
Total capital expenditure	-	-	-
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	(4,852)	(4,773)	(5,125)
Add capital contributions	-	-	-
Rate funded debt repayment	-	-	-
Total rates funding requirement	(4,852)	(4,773)	(5,125)
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	-	-	-
Capital to replace existing assets	-	-	-
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	-	-	-
Less asset sales	-	-	-
Less rate funded debt repayment	-	-	-
Total loan (funding)/repayment	-	-	-
Total funding requirement	(4,852)	(4,773)	(5,125)

City Leadership

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.

Why we do it

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



How we measure the success of our services

Measure ¹	Actual performance 2018-19	Target 2019-20	Target 2020-21
Budget management	Operating: \$4.3M unfavourable variance. ² Capital: \$28.4M underspend compared to budget	All activities are expected to operate within net capital and operating budgets	All activities are expected to operate within net capital and operating budgets
Customer satisfaction – satisfaction with the overall performance of Hutt City Council	86%	Greater or equal to previous year result	Greater or equal to previous year result
Project completion – the percentage of completed projects	50% ³	80% Completed	80% completed
Work-related accidents	Four	No more than four employee injuries resulting in medically approved time off work	No more than four employee injuries resulting in medically approved time off work

Notes:

1. The staff satisfaction measure has been removed as the survey the measure was based on has been discontinued and a suitable alternative has not been found.
2. The operating unfavourable variance of 4.3M (calculated as being the net deficit for the year of \$17.9M, adjusted for the loss on revaluation of financial instruments of \$11.5M, compared to the budgeted deficit of \$2.1M) is mainly due to lower capital subsidies because of delays in Cycleway/Shared Paths projects, plus costs of \$4M budgeted as capital expenditure (including Development Stimulus Package). Capital was favourable by \$28.4M due to delays in a number of key projects including \$10.1M for Cycleways/Shared Paths project and \$13.4M for Three Waters projects. Further details are provided in the relevant activities and Note 33: Major Budget Variations contained in the 2018-19 Annual Report.
3. Completion rate for the year impacted by a work programme containing several very significant projects requiring an increased level of project management.

Major projects planned: City Leadership

Project information for prior years is not included due to the timing and deferral of some projects that may also appear in prior years.

Capital Projects To Improve Level Of Service	Annual Plan 2020-21 \$000
Other IT Projects	3,003
System Upgrades	140
Internet Online Services	400
Facilities Seismic Strengthening	1,250
Vehicle Purchase	79

Capital Projects To Replace Existing Assets	Annual Plan 2020-21 \$000
Network Storage/Server Hardware and PC Replacement Programme	1,618
Pavilion Renewals	15

Operating Projects	Annual Plan 2020-21 \$000
Quality of Life Study	25
Community Engagement Research	150
Research - Monitoring & Evaluation of Outcomes	50
Homelessness Strategy	520

Prospective statement of comprehensive revenue and expense for the year ending 30 June: City Leadership

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Revenue			
General rates & other rate charges	108,067	110,768	113,254
User charges	999	984	1,081
Operating subsidies & grants	-	-	-
Capital subsidies	-	-	-
Upper Hutt CC operating subsidies	-	-	-
Development & financial contributions	-	-	-
Interest earned	982	995	796
Dividends from CCOs	-	-	6
Gain/(loss) on disposal of assets	-	-	-
Vested assets	-	-	-
Other revenue	310	215	363
Total revenue	110,358	112,962	115,500
Expenditure			
Employee costs	10,628	9,899	11,423
Operating costs	3,551	2,768	6,059
Support costs/internal charges	(17,519)	(17,079)	(20,953)
Interest expenditure	921	1,110	1,586
Depreciation	1,786	1,638	1,391
Total expenditure	(633)	(1,664)	(494)
Surplus before tax	110,991	114,626	115,994
Total capital expenditure	2,120	1,501	6,505
Prospective funding requirement			
Rates funding requirement			
Surplus/(deficit)	110,991	114,626	115,994
Add capital contributions	-	-	-
Rate funded debt repayment	23,022	5,733	21,856
Total rates funding requirement	134,013	120,359	137,850
Loan funding requirement			
Capital to meet additional demand	-	-	-
Capital to improve level of service	(1,290)	(631)	(4,872)
Capital to replace existing assets	(830)	(870)	(1,633)
Less capital contributions	-	-	-
Less UHCC capital contribution	-	-	-
Less depreciation	1,786	1,638	1,391
Less asset sales	-	-	-
Less rate funded debt repayment	(23,022)	(5,733)	(21,856)
Total loan (funding)/repayment	(23,356)	(5,596)	(26,970)
Total funding requirement	110,657	114,763	110,880

Funding impact statement for the year ending 30 June:
Governance, Engagement and Organisation

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(21,094)	(4,818)	(19,471)
Targeted rates	-	-	-
Subsidies and grants for operating purposes	-	-	-
Fees and charges	999	984	1,081
Internal charges and overheads recovered	17,519	17,079	20,953
Local authorities fuel tax, fines, infringement fees, and other receipts	1,526	1,210	1,165
Total operating funding (A)	(1,050)	14,455	3,728
Applications of operating funding			
Payments to staff and suppliers	15,882	13,978	18,785
Finance costs	921	1,110	1,586
Internal charges and overheads applied	3,383	3,462	3,822
Other operating funding applications	-	-	-
Total applications of operating funding (B)	20,186	18,550	24,193
Surplus (deficit) of operating funding (A-B)	(21,236)	(4,095)	(20,465)
Sources of capital funding			
Subsidies and grants for capital expenditure	-	-	-
Development & financial contributions	-	-	-
Increase (decrease) in debt	23,356	5,596	26,970
Gross proceeds from sale of assets	-	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	23,356	5,596	26,970
Application of capital funding			
Capital expenditure			
- to meet additional demand	-	-	-
- to improve level of service	1,290	631	4,872
- to replace existing assets	830	870	1,633
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	2,120	1,501	6,505
Surplus (deficit) of capital funding (C-D)	21,236	4,095	20,465
Funding balance ((A-B)+(C-D))	-	-	-

Funding impact statement for the year ending 30 June:
Whole of Council

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	72,407	75,073	74,882
Targeted rates	35,660	35,695	38,372
Subsidies and grants for operating purposes	6,913	6,906	6,616
Fees and charges	41,840	39,391	39,961
Interest and dividends from investments	982	995	802
Local authorities fuel tax, fines, infringement fees, and other receipts	5,944	5,792	5,691
Total operating funding (A)	163,746	163,852	166,324
Applications of operating funding			
Payments to staff and suppliers	137,431	117,988	135,541
Finance costs	8,796	10,478	8,198
Other operating funding applications	-	-	-
Total applications of operating funding (B)	146,227	128,466	143,739
Surplus (deficit) of operating funding (A-B)	17,519	35,386	22,585
Sources of capital funding			
Subsidies and grants for capital expenditure	9,686	14,583	14,078
Development & financial contributions	1,702	1,106	2,802
Increase (decrease) in debt	36,867	23,226	41,192
Gross proceeds from sale of assets	2,123	-	-
Lump sum contributions	-	-	-
Other dedicated capital funding	-	-	-
Total sources of capital funding (C)	50,378	38,915	58,072
Application of capital funding			
Capital expenditure			
- to meet additional demand	5,998	20,221	12,289
- to improve level of service	41,705	36,827	43,725
- to replace existing assets	20,194	17,253	24,643
Increase (decrease) in reserves	-	-	-
Increase (decrease) of investments	-	-	-
Total applications of capital funding (D)	67,897	74,301	80,657
Surplus (deficit) of capital funding (C-D)	(17,519)	(35,386)	(22,585)
Funding balance ((A-B)+(C-D))	-	-	-



PAETUTU
PETONE

Our Community Partnerships | Ō Mātou Rangapū Hapori

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:

- Local mana whenua and marae
- Community groups and individuals
- Local and central government agencies

Partnerships with Māori | He Hononga ā-lwi

Waiho i te toipoto, kua i te toiroa **Let us keep close, not far apart**

Council has a responsibility to take into account the principles of Te Tiriti o Waitangi and to recognise and provide for the special relationship between Māori and their culture, traditions, land and taonga.

The Local Government Act 2002 acknowledges the Crown's responsibilities under the Treaty of Waitangi and the responsibility to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

The responsibility to consult includes recognising those who have mana whenua status. In fulfilling its responsibilities, Council also consults with other Māori within the city, including the city's marae. Memoranda of understanding reflect the existing partnerships.

- Volunteer organisations and Non-Government Organisations
- Contractors, service suppliers, consultants and advisors
- Businesses and their representative organisations

Our community boards and community funding panels also work closely with people in their local area.

Waiho i te toipoto, kua i te toiroa **Let us keep close, not far apart**

Ko te tikanga ia, mā te aronga a te Kaunihera ki ngā mātāpono o Te Tiriti o Waitangi, ka āta whakaaro, ka āta manaaki hoki i ngā hononga a te iwi Māori ki tōna ake ahurea, ki ōna tikanga, ki ōna whenua ūkaipō, otinō, ki ngā taonga kua tukuna iho.

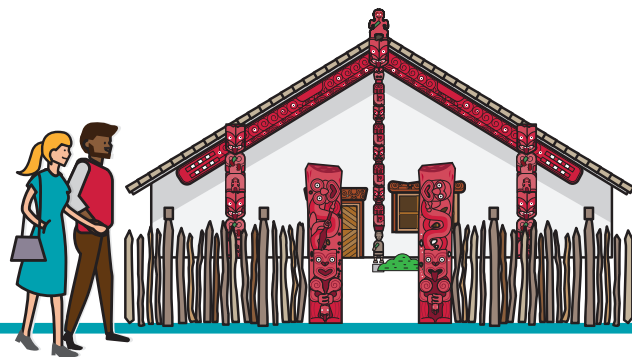
Ka mihi e te Ture Kaunihera 2002 ngā tikanga kua whakaaetia e Karauna i Te Tiriti o Waitangi, ā, ka noho haepapa tonu ki te tiaki, ki te whakatairanga anō hoki i tōna tikanga, e rua ngā kīwai o te kete - kei a te Kaunihera tēnei kīwai, kei a Ngāi Māori tēnā kīwai - me anga whakamua te Kaunihera kei tō te Māori taha.

Mā te takohanga hononga a-iwi, me matua mōhio te Kaunihera ko wai mā ngā mana whenua, kei a wai mā hoki te ahi kā roa. I a te kaunihera e ū kaha ana ki ēnei kātū tikanga ka manaakitia tonutia e mātou ngā hononga ki ngā rōpū taura here e noho ana i tēnei tāone, tae ana ki ngā marae maha o tēnei takiwā. Ka whakatinanahia ēnei hononga e ngā whakaaetanga patuitanga.



Shared Services | Ratonga Tohatoha Ōrite

The bulk of our current shared services are in joint operations with Upper Hutt, 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 Treatment Plant, emergency management, rural fire response, environmental inspections, noise control, dog control, eco design advice and swimming pool audit services. 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 Council Controlled Organisation 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, exploration of potential Human Resources shared service opportunities, 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.



Dollars and Cents | Ngā Tāra, Ngā Hēneti



Financial Strategy

Introduction

Council's total assets are worth \$1.6 billion and include infrastructure assets, land and buildings; whilst total liabilities are lower at \$0.3 billion and include borrowings and payables to suppliers. Annual income in 2020/21 of \$178.5 million is largely applied to fund operating costs for services delivered by Council and to maintain assets.

Council's financial strategy focuses on strong fiscal management whilst addressing growing demands for increased capital expenditure in core infrastructure assets such as the stormwater, wastewater and water supply networks and roading networks.

Since the Long Term Plan 2018-2028 was prepared, we have received new reports and information on what's needed to maintain and improve our 'Three Waters' infrastructure and our transport network. In 2020 we are now set to reach the population figure we did not expect to reach until 2030. Wellington Water Limited has advised us we need to double our investment in our water network to ensure a properly functioning water supply, waste and stormwater system. Our local roading, walking and cycling networks also need investment to accommodate a growing population and provide more options for people moving around our city.

An 'emergency budget' for 2020/21

In light of the unprecedented situation of Covid-19, we have prepared a one-year 'emergency budget' for 2020/21. Prior to the Covid-19 lockdown in March 2020, we were progressing plans to consult on significant proposed changes to the Long Term Plan 2018-2028. This included consulting on long term investment choices for Three Waters, Naenae Pool and fitness centre development, cycleways and cross valley connections; together with proposed changes to funding solutions and our financial strategy. These plans have been put on hold as a result of Covid-19, and will be progressed further when we develop our Long Term Plan 2021-2031.

There is a \$9.7 million projected deficit for 2020/21 rather than the \$4.4 million surplus projected in the LTP. Operating expenditure for 2020/21 has increased by \$18.5 million

compared to what was projected in our LTP. This is largely due to unbudgeted or higher than anticipated costs for 'Three Waters' repairs and renewals, depreciation and insurance, the review of the District Plan, preparatory work for Naenae Pool, our homelessness strategy, sports initiatives for tennis and gymnastics and the Development Stimulus Package. We have included \$3 million of operational savings to help us 'get through' this budget and reduce the projected deficit. The emergency budget includes lower rates revenue increases than was previously proposed, due to concerns about the Covid-19 impacts. The capital expenditure planned for 2020/21 is \$81 million and net debt is projected to increase to \$226 million at 30 June 2021.

The gaps in Council revenue to meet increased operational costs in 2020/21 will be funded through additional debt in the short term. We will need to work towards finding a financially sustainable solution in the medium to long term where there is sufficient revenue to match the costs of delivering services for our growing city. This is likely to require increased revenue and borrowings to fund our priorities for the city. A planned way forward will be developed through the Long Term Plan 2021-2031 along with a redeveloped Infrastructure Strategy, Revenue and Financing Policy and Development Contributions Policy.

Key principles of the financial strategy

Council's Financial Strategy promotes the sustainable funding of services and is based upon the key principles of:

- affordability of rates
- delivering services effectively and efficiently
- achieving intergenerational equity by spreading the costs between both present and future ratepayers
- maintaining prudent debt levels
- strengthening Council's financial position.

These principles provide the foundation to drive towards sustainable financial management.

Principles to support development of the financial strategy in the LTP 2021-2031

Ahead of the Covid-19 situation, Council had progressed work to review the Financial Strategy in preparation for proposed changes to the LTP. These principles will inform the development of the LTP 2021-2031 and include:

1. That the financial strategy enables Council's contribution to the vision for Lower Hutt.
2. Fairness and equity

The funding of expenditure is equitable across both present and future ratepayers.

- a) Intergenerational equity – the cost of long term assets should be met by ratepayers over the life of that asset. This is reflected by debt funding new assets and funding the replacement or renewal of assets from rates.
 - b) Balanced budget – projected operating revenue over the lifetime of the LTP is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access, i.e. 'everyday costs are paid for from everyday income'.
3. Prudent sustainable financial management – budgets are managed prudently and in the best interests of the city in the long term. Debt must be maintained at prudent levels and be affordable.
 4. Ability to pay (affordability) – affordability is an important consideration as it ensures that the ability of our diverse community to pay rates is transparently considered as part of the decision-making process. Consideration will be given at both the macro level (i.e. generally affordable to most) and also at the micro level (i.e. for a specific individual where rates rebates, remissions or postponement policies may be required).
 5. Value for money – any proposals must contribute to the strategic outcomes agreed with the community and the total cost must be reasonable. The cost effectiveness of the funding mechanism must be considered.
 6. Prioritisation of investment choices – careful consideration is given to investment choices and options, with priority given to core infrastructure investment and 'invest to save' options.

7. Good financial governance and stewardship

Good stewardship of Council's assets and finances requires Council to ensure that its actions now do not compromise the ability of future councils to fund future community needs. Under this principle:

- a) Assets must be maintained at least at current service levels to avoid placing a financial burden on future generations.
- b) Debt must not be used to fund operating expenditure other than in specific exceptional circumstances.
- c) The level of debt is regularly reviewed to ensure that it is at a level that will not restrict a future council's ability to fund new assets through debt.
- d) The consequential operational expenditure implications of capital expenditure decisions are considered.

Our plans for 2020/21 and the financial strategy limits

Included in the Financial Strategy in the LTP 2018-2028 was a range of limits across the three key areas of operating results, rates revenue and borrowings. The table below provides a summary of the targets set and the short term view for 2020/21 only.

Limits	Measure	Target	LTP 2018-2028 year 3	Projected Draft Annual Plan 2020/21
Overall operating result	Surplus each year	Budgeted surplus	Surplus \$4.4M	Deficit \$9.7M
Limits on revenue	Increase in rates revenue	Maximum annual rates income increase % and dollars, with increase to be no more than BERL Local Government Cost Index (LGCI) after allowing for estimated average growth of 1%	Maximum rates income \$111M ¹ Rates increase 2% ² LGCI benchmark 2.2%	Maximum rates income \$113M ¹ Rate increase 3.8% ² LGCI benchmark 2.8%
Limits on borrowings	Net interest to revenue	Below 10%		
	Net debt maxima	Year 1-3 <150% to revenue Years 4-6 < 130% to revenue Years 7 -12 < than 110% Years 13+ < than 90% of total revenue	2020/21 Debt maxima \$259.7M Projected debt \$208.3M	2020/21 Debt maxima \$266.4M Projected debt \$225.7M

Note:

1. These figures include inflation but exclude GST.
2. These figures do not take into account additional income from new properties in the city each year. Property growth is assumed to be one per cent annually.

The targets in the Financial Strategy represent firm goals for Council. However there may be instances when the targets are not achieved. There could be several reasons for this.

For example:

- a major adverse event, such as an earthquake or flood, requiring substantial additional expenditure by Council
- economic conditions change such that there is a significant increase in Council costs, or significant reduction in Council revenue
- there are significant new initiatives or projects that have community support despite funding implications.

In any instance such as the above examples, Council will consider alternative options before proposing any temporary breach of Financial Strategy targets. This would include options such as deferring expenditure, surplus asset sales and cost reductions. Ultimately, Council will make all its financial decisions in the best interests of the community.

Affordability remains a top priority for Council. We have a diverse population with varying socio-economic indicators.

Our legal obligations

The Local Government Act 2002 requires us to manage our revenues, expenses, assets, liabilities, investments and general financial dealings prudently. In doing so we're aware of the impact our costs and funding decisions have on our community. We're particularly concerned about the affordability of Council services, and have considered this in proposing our rates, net debt and other limits. We also carefully consider the level of fees and charges.

Our Revenue and Financing Policy helps us identify and distribute the costs and benefits of Council services across the different sectors of our community.

We're also required to provide a balanced budget. Revenue raised in the current year should be enough to meet our expenses for that year. Balancing the budget helps allocate the burden of rates and charges between today's ratepayers and those of tomorrow. We also look to fairly allocate development costs between current and future beneficiaries through our development and financial contributions policies.

Planning for growth

As at June 2019 the total population of Lower Hutt was estimated to be 108,700 people. This indicates an increase of 3,100 people compared to 2017, when it was estimated to be

104,700 people. The recent growth, started with the inception of Council's Urban Growth Strategy (2012-2032), is expected to be consistent, reaching 113,000 people by 2025 with growth then expected to slow and reaching approximately 116,000 people by 2030.

Economic growth in the city

For a number of years there was modest economic growth in the city. Council responded to this consideration by adopting an Urban Growth Strategy and an Economic Development Plan. The population growth in the last few years has been greater than the population that Statistics New Zealand is projecting, as a result of the initiatives introduced through the Urban Growth Strategy. This higher population growth is expected to continue, resulting in more development and other economic activities. Therefore the 2020-2021 Annual Plan includes an assumption that population growth and extra development will drive an increase in the rates base of the city by an average of 1% per annum over the duration of the plan. If this level of growth and additional rates income is not achieved, Council will be able to reduce growth related expenditure.

Managing our assets and debt

A major part of our business involves managing over \$1.6 billion of assets from an average annual income of approximately \$207 million. We use other funding sources such as debt and capital subsidies to fund the maintenance and development of our infrastructure and other assets.

We use asset management practices to sustainably maintain service levels to at least current levels. We balance the wants and needs of today with the demands and replacements required for the future, ensuring we fulfil legal requirements.

Council continues its commitment to encouraging a strong, diverse, enterprising business community and protecting the environment through sustainable management of waste, transport, energy, water, urban environment and biodiversity.

We plan to spend approximately \$858 million over the next ten years to maintain and improve existing assets and create some new assets. Capital expenditure to 2040 rises to approximately \$1,432 million due to inflation and some large projects, including significant roading network improvements, RiverLink, and upgrading the main wastewater pipeline to Pencarrow.

Delays to the timing of projects may impact on service through reducing asset lives or increasing maintenance in any one year. Advancement of the timing of projects may positively impact service levels, but increase debt servicing costs.

We continue to set target levels to restrict net debt. Debt servicing levels are kept at affordable percentages of total operational spend. These targets also seek to fairly apportion funding costs between current and future ratepayers.

This strategy places reliance on retaining existing sources of funding of capital, through debt, subsidies, development contributions and other revenue. We have facilities in place as a safeguard against an inability to refinance existing debt.

We place reliance on a strong financial position to ensure we have capacity to borrow, both for forecast expenditure needs and any unforeseen requirements that may arise. We do this through ensuring appropriate levels of debt in accordance with our strategy limits, with no significant concentrations of debt repayment in any one year, ensuring working capital is maintained to meet ongoing commitments and surplus cash is invested or used to repay debt. We also focus on collection of monies owed to ensure no concentrations of credit risk exist.

Managing our revenue

We have budgeted to achieve net surpluses from our operations almost every year. We'll continue to do this and use our surplus to help repay or limit borrowings and to fund our capital programme.

Revenue is expected to increase over the next 20 years, in accordance with inflation. This will be sufficient to sustain the current levels of service.

We fund operating expenditure from the following sources: general rates, targeted rates, fees and charges, interest and dividends from investments, grants and subsidies, and other operating revenue.

General rates

We use capital value as the basis for gathering general rates. Generally, the higher the value of the property, the higher the rates paid by the property owner.

General rates are assessed on a differential basis, with a differential applied to Businesses and Utility Networks, reflecting a higher share of the benefits of Council services.

Differentials are also applied to Community Facilities and Rural sectors to reflect their ability to pay and the relative levels of service received. These are incorporated into the Revenue and Financing Policy, which is reviewed regularly.

Targeted rates

If Council decides that the cost of a service should be met by a particular group of ratepayers, it may use targeted rates. Council's targeted rate charges include water, wastewater, Jackson Street and recycling.

Fees and charges

Council levies charges to contribute to the cost of services. Direct benefits attributed to service users are considered a private funding component and are recovered through a fee or charge for that service.

A schedule of fees and charges is published on the Council website.

Interest and dividends from investments

Council obtains specialist advice when considering financial investments and structure. We invest surplus cash from operations on call overnight and gain interest revenue from such investing. Council also gains interest revenue from lending within its group to its Council Controlled Organisations (CCOs).

Council charges a market interest rate for this lending. Council may also gain dividend income from shares held in company holdings.

Subsidies

Council receives subsidies of both an operating and a capital nature to partially fund services and contribute to the cost of capital projects. Council receives government grants to provide services.

Development and financial contributions

Development contributions are used to fairly allocate the costs of growth to ensure equity between developers and ratepayers. Financial contributions are required where individual developments give rise to capital expenditure that is not included in the Long Term Plan and for reserves.

Other revenue includes, but is not limited to, proceeds from the sale of assets and other miscellaneous income.

Council's policy on giving securities for its borrowing

Council secures borrowing by way of a Debenture Trust Deed which provides security over rating income.

Council's objectives for holding and managing financial investments

Council maintains liquidity and credit facilities to minimise financial risk and have secure and cost effective funding sources to meet financial needs.

Council obtains surplus daily cash from its rates instalments and other revenue generating activities. In managing its liquidity, Council looks to apply surplus cash to reduce its short term borrowings, while ensuring cash requirements until the next rates instalment are provided for. Council will place surplus cash on call or term deposits as appropriate.

Interest Rate Swaps are held to smooth impacts of fluctuating interest rates.

Council lends money to its CCOs at a commercial rate of return. This is typically set at between 50 and 100 basis points above the cost to Council.

Council's objectives for holding and managing equity investments

Council has investments in several CCOs.

Wellington Water Limited (Associate)

This company is owned by Wellington, Hutt, Upper Hutt and Porirua City Councils, Greater Wellington Regional Council and South Wairarapa District Council.

The nature of the business of the company is to jointly manage the water services for these councils. Our objective for this company is for it to manage, for the long term, the provision of water, wastewater and stormwater services and to operate as a successful business.

A formal return on investment is not anticipated in the near future as the business is managed on a non-profit basis.

Seaview Marina Limited (100% Owned CCO)

Council holds 100% of the shares issued by Seaview Marina Limited. Council's objective is for it to operate a successful and profitable Marina providing berth and associated services, and providing public marine recreation facilities for the enjoyment of the Lower Hutt community, without compromising its commercial objectives and environmental responsibilities.

Return on investment is 5% before tax on shareholders' funds, in accordance with the company's Statement of Intent. This return is reinvested within the company.

Urban Plus Limited & Group (100% Owned CCO)

Council's objectives for this company are 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. Returns are forecast in the company's Statement of Intent.

Hutt City Community Facilities Trust (CFT)

Council established this charitable trust to manage and develop its leisure and community facilities.

Our objective for CFT is for it to enhance the health and wellbeing of the city's communities through the effective and efficient provision, development and operation of leisure and community facilities throughout Lower Hutt. This will include securing funding to enable investment and improvement of community facilities, developing new or enhancing existing facilities, administering any facilities vested in CFT, and providing strategic direction, expert advice and championing ongoing investment and development.

No financial return on investment is anticipated at this stage.

Civic Assurance

The recent global events have impacted on the stability of the insurance market. Historically, councils have struggled to obtain adequate levels of insurance and many years ago Civic Assurance was created to fill a gap in the market and provide some level of surety for local government. While Council continues to have a share-holding in Civic Assurance we no longer continue to have insurance cover with them.

The return expected is a dividend as approved by the Board of Directors in addition to providing an avenue for Council to insure its assets. A formal return on investment is not anticipated in the near future while the company rebuilds an equity base.

Local Government Funding Agency (LGFA)

Debt is a significant funding source for many local authorities. Interest costs are a major item of expenditure for these councils. Hutt City Council has invested in LGFA to help the sector achieve a reduction in the costs of borrowing. While Hutt City Council's debt levels are relatively low, the LGFA provides an additional borrowing source and savings in interest costs.

In addition, the LGFA will provide local authorities with increased certainty of access to funding, including the potential access to longer funding terms. The return anticipated is through lower borrowing costs and security of longer term funding rather than a formal dividend. As a shareholder or guarantor, Council will have increased exposure to liability for repayment of debt.



Revenue and Financing Policy Kaupapa Here Ahumoni (Amended 30 June 2020)

Introduction

A wide number of funding sources are available to Council to help fund its activities, ranging from general and targeted rates through to fees and user charges.

This policy outlines Council's approach to funding its activities. It provides information on what funding tools are used and who pays, as well as describing the process used to make these decisions.

The policy sets target funding bands for the two main funding sources (Public and Other) for each activity. The funding bands are:

- High 80 - 100%
- Medium/High 60 - 79%
- Medium 40 - 59%
- Medium/Low 20 - 39%
- Low 0 - 19%

This policy should be read in conjunction with the Funding Impact Statement contained elsewhere in Council's Annual Plan. The Funding Impact Statement is the mechanism used to implement the Revenue and Financing Policy and provides detail on how rates are set.

How does council decide what is funded from where?

Appropriate funding sources are determined using a two-step process on an activity by activity basis.

Step One

The funding needs of Council must be met from what Council determines to be the most appropriate funding source for each activity following consideration of:

- The community outcomes to which the activity contributes
- The distribution of benefits between the community as a whole and any identifiable parts of the community and individuals
- The period over which the benefits are expected to occur
- The extent to which the action or inaction of particular individuals or groups contributes to the need for the activity to take place
- The costs and benefits of funding an activity distinctly from other activities

A more detailed discussion of the use of different funding tools and the reasons for the allocation of costs to various sectors of the community for each activity is provided on page 72.

Step Two

The second step in the process is for Council to apply its judgement to the overall impact on the community. In exercising this judgement Council considers the following;

- The impact of rates and rates increases on residential properties, and in particular on the affordability of rates and rates increases for low, average and fixed income households.
- The impact of rates and rates increases on businesses and on the competitiveness of Lower Hutt as a business location.
- The fairness of rates (and changes in rates) relative to the benefits received for 'stand-out' properties with unusually high capital values.
- The special characteristics of particular classifications of property - including their purpose and proximity to the city.
- The complexity of the rating system and the desirability of improving administrative simplicity.
- The change in relative rateable values between types of properties.

As the general rate is a general taxing mechanism, shifting the 'differential factor' for each sector's share of the city's overall capital value is the principal means that Council has used to achieve the desired overall rates impact on the wider community. Council considered the application of this in terms of affordability for all sectors in setting the 2020/21 general rate differentials.

Funding of operating expenditure

General rates

General rates, together with targeted rates, are the largest source of funding for Council.

General rates are used to help fund activities that exhibit strong or dominant public good characteristics. A public good/service is defined as one that demonstrates the following characteristics:

- Non-rival – the enjoyment by one person does not prevent the benefit from being enjoyed by others. An example is street lighting.
- Non-excludable – no person or group can easily be prevented from enjoying the benefit. An example is a beach or park.

In these cases, all ratepayers pay towards the cost of the activity. Where the activity also provides private benefits, rates are used to fund the balance of costs after the potential for user charges has been exhausted.

Council sets general rates based on the capital value of properties. Capital value is used because, in the main, it reflects ability to pay better than the alternatives of land value or annual value.

What each ratepayer pays depends on the capital value of their property relative to the value of other properties, and on the share of the general rate that has been allocated to each sector of the community (Residential, Business, Utilities and Rural). Council has determined that for most activities, the general rates funded costs should be allocated to each sector of the community in line with each sector's percentage share of the capital value of the city. For most activities, there is little evidence to support alternative approaches where one sector should be carrying a greater or lesser proportional share.

However there are two exceptions.

1. Roading and Traffic - general rates are weighted towards the business and utility sectors because of the particularly high use of the roads (or road space) by these sectors. Trip generation data is used as an indicator of the cause and benefit of this activity's costs –

this data shows that the business/utility and residential sector trip generation is 72% and 28% respectively. The share of general rates costs is allocated accordingly.

2. Stormwater - is weighted towards the business/utility sector to reflect the fact that it accounts for approximately 37% of the city's impervious area (after making an allowance for roads). The share of general rates for Stormwater is allocated on this basis.

To achieve the desired weighting of general rates allocation towards the business and utility sectors in these cases the Council increases each sector's assumed share of the overall capital value of the city.

Uniform annual general charges

Council also has the option to levy a uniform annual general charge (UAGC). A UAGC recovers a portion of general rates costs as a fixed amount per property. Such fixed charges tend to have a disproportionate impact on low income households as the charges make up a higher proportion of such a household's income. For this reason, Council does not currently propose using a UAGC. Council does, however, use fixed charges for some targeted rates.

Targeted rates

Targeted rates are used where Council has decided that the cost of a service or function should be met by a particular group of ratepayers (possibly even all ratepayers) or in order to provide greater transparency about the use of the funding. There is considerable scope to set rates for a specific function (e.g. water) or target a rate on a specific geographic area (e.g. Jackson Street) or set different levels of rates for different property types (e.g. promotion levy targeted on Business Central properties). The targeted rates charged by Hutt City Council are:

- Water supply, per property
- Wastewater services, per pan
- Jackson Street upgrade project, per business property in Jackson Street
- Recycling, per property

Fees and charges

User charges are used where there are strong private benefits from an activity and it is feasible to collect fees.

User charges contribute to the cost of some facilities (such as swimming pools) and also fully or partly meet the cost of regulatory services, such as those under the Building and Resource Management Acts.

Similarly, Council has the ability to fine people and businesses for certain rule infringements. The amount of income derived through these fines depends on the level of non-compliance and the amount of effort Council puts into enforcement activities.

Other funding sources

The other main funding sources for operating expenditure are grants and subsidies. New Zealand Transport Agency funding assistance for road maintenance makes up the majority of this funding.

Council does not use borrowing, proceeds from asset sales or development or reserve contributions to help fund operating expenditure.

Funding of capital expenditure

Council funds capital expenditure mainly from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to better match funding with the period over which benefits will be derived from assets and helps ensure intergenerational equity. Borrowing and repayments are managed within the framework specified in the Liability Management section of the Treasury Risk Management Policy.

In some cases other funds are available to finance capital expenditure. Such other funds include:

- Council reserves, including reserves comprising development contributions under the LGA, and financial contributions under the Resource Management Act 1991 (see Council's Development Contributions Policy).
- Contributions towards capital expenditure from other parties such as the New Zealand Transport Agency (in relation to certain roading projects) and Upper Hutt City Council (in relation to joint wastewater activities).
- Annual revenue collected through rates to cover depreciation charges.
- Proceeds from the sale of assets, not otherwise used for debt reduction.
- Operating surpluses.

Differential factor

The general rate payable on each category of property is expressed as a rate in the dollar of capital value. The different rates in the dollar for different categories of property are determined as a result of the review described above. These different rates in the

dollar for different property categories are known as 'differential factors' and are agreed following the completion of Step Two of the process (which is designed to allow the Council to apply its judgement on the overall impact on the community).

Following a Revenue and Financing Policy review undertaken by Council in 2012, it determined the following differential factors for each category of property:

- Residential: 1.0
- Business: 2.3
- Business Central: 2.3
- Utility Networks: 2.3
- Rural: 0.8
- Community Facilities 1: 1.0
- Community Facilities 2: 0.5
- Community Facilities 3: 2.3

In 2012 the Council commenced a 10 year shift in the differential to achieve these ratios.

The underlying objectives of the transition were to:

- Lower the allocation of rates to the rural sector to a level where the rural differential is equal to 0.8. This change has been made on the basis that rural properties often experience a lower level of service because of the longer distances between rural properties and Council facilities.
- Provide two special categories of community facilities and rate them at a lower differential to recognise the community benefits provided by such facilities. The two categories are Community Facilities 1 and Community Facilities 2 and are defined in the Funding Impact Statement, along with the differential to apply to each. A third category of Community Facilities is also defined but no adjustment has been made to the differential to be levied on this category.
- Standardise the differential for all other non-residential properties so that such properties are rated on the same basis.

For 2017/18, Council agreed to freeze the differential transition for one year and extend the transition period by a year, to reduce the rates impact on residential ratepayers caused by the significant increase in residential property values following the three yearly revaluation of properties (for rating purposes), in October 2016.

The differential policy was reviewed by Councillors during the preparation of the 2018-2028 LTP. Council decided to continue with the differential transition plan from 1 July 2018 so that from 1 July 2023 the business rate would be no more than 2.29 times (previously 2.3 times), greater than the rate of a residential property of the same value.

The 2019 revaluation disrupted the continuation of the differential transition. In the 2019 revaluation, residential properties increased by an average of 31.8% and commercial properties by 16.9%.

Because of the significant changes in the relative capital values in the 2019 rating valuation, the allocations of general rate based on continuing the differential transition would place an increased burden on residential properties. The average Residential property would have an increase of \$167 per annum (6.7%), while the average Business Central property would see a decrease of \$671 per annum (5.1%).

Council considered the impacts of the 2019 rating valuation on the affordability of rates for all ratepayers. It was particularly concerned that the increase in the amount residential ratepayers will contribute to the general rate, without any change, reduces affordability of rates for residential ratepayers. Council considers that affordability is an important factor when considering the overall impacts of funding allocations.

Council considered the matters in step two above and options for modifying the differentials as overall impact adjustments. It weighted the competing interests of different sectors of ratepayers as set out in the step two bullet points above, particularly the different abilities of the residential and commercial sectors to accommodate rates increases at this time, and the impacts of those increases, particularly on rates affordability. In its judgement, the interests of residential ratepayers were more pressing, and differential adjustments should be made to reduce the rates incidence on this sector.

In 2020/21 Council will allocate the general rate using modified differentials to ensure the percentage of 2020/21 general rates collected from each of the categories used in 2019/20 remains close to the same as the percentages of general rates collected in 2019/20 (except for Queensgate).

The general rate differentials based on capital values are:

- Residential 1.000
- Business Accommodation 2.687
- Business Central 2.946
- Business Queensgate 3.165
- Business Suburban 2.614
- Community Facilities 1 1.028
- Community Facilities 2 0.497
- Community Facilities 3 2.344
- Rural 0.747
- Utility 2.803

Council identified with the reduction to the Queensgate Mall capital value and the increase in average Business Central capital value, this required Queensgate Mall to have its own differential category, and reflects unique use of land and services provided compared to other Business Central ratepayers. The Queensgate category has a slightly higher differential factor than the Business Central category. This continues to ensure a reasonably even rates increase for each category of ratepayers (excluding Queensgate which has a decrease reflecting the reduction in its capital value), ensuring affordability across all categories of ratepayers. The decrease in rates for Queensgate is not as great as it would be if its new values were applied to the differential transition. However Council, in the exercise of its discretion in the overall impact considerations, felt commercial ratepayers (including Queensgate) should pay a greater share of general rates. To ensure the allocation away from residential ratepayers did not then mean there would be undue affordability concerns and impacts for the commercial sector, it allocated some of the increase back across all ratepayers.

Review

The overall Revenue and Financing Policy (including the differential factors) will be reviewed from a first principles approach in 2021 and is reconsidered every 3 years as part of the Long Term Plan preparation.



Revenue and financing policy by major activity

Activity	Outcome	Funding Source Proportion	Funding Rationale [LGA 2002 Section 101(3)(A)] Who benefits (community as a whole, or individuals, group or users, exacerbators), intergenerational benefits, reasons for funding the activity separately
Integrated Community Services			
<p>Council provides, maintains and manages eight libraries in the city, two of which are located in community hubs. These are run as a single city-wide service. Their primary role is to provide written and recorded material such as books, audio-visual resources and access to online information. Library services are used for many purposes including learning, research and entertainment.</p> <p>Council operates two museums. The Dowse Art Museum displays art, craft and other cultural materials. The Petone Settlers Museum specialises in the social history of the lower Hutt Valley and Petone. These institutions are open to the public at no charge, other than for special exhibitions.</p> <p>Council provides and maintains six swimming pools in the city as part of its portfolio of recreational facilities. Recreational programmes are community based programmes designed to encourage residents to engage in a range of recreational activities. These services are provided to promote health and enjoyment and stimulate the community's interest in different recreational opportunities.</p> <p>Integrated community hubs or facilities are a core part of Council's Leisure and Wellbeing Strategy. Council currently has two hubs which provide core community and other Council services, and are focussed on providing communities with opportunities for social and leisure activities, practical help and advice, and contributing to growing social capital.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A safe community • A strong and diverse economy • An accessible and connected city • Healthy people • Actively engaged in community activities • Strong and inclusive communities 	<p>Libraries: Community Hubs: Museums: Public – High Other – Low</p> <p>Aquatics and Recreation: Public – Medium Other – Medium</p>	<p>Who benefits: <i>Libraries:</i> While there are identifiable private benefits from the provision of library services, Council views the open and low cost access to information and books as being in the best interest of the city as a whole. The library system is an efficient way for the community to pool their reading and information resources and it is unlikely it could continue to exist if it operated on a strictly user pays system. Rather, charges are levied for late returns, internet access and DVD hire, but these contribute only a small amount towards total operating cost.</p> <p><i>Museums:</i> Council believes that the support of the arts, recognition of our social history and cultural endeavours is an important component in making the city a vibrant and attractive city, as well as providing a means for the community to express a sense of self and place. While individual visitors to these facilities do gain private benefits, collecting an entry fee would be inefficient due to the costs associated with establishing and operating a door charge system. Council recognises the contribution the Dowse Foundation and donors are making to the city through extensive community fundraising activities.</p> <p><i>Aquatics and Recreation:</i> Fees and charges contribute a significant portion of the income for this activity. This reflects the fact that individuals benefit from the personal fitness and enjoyment they derive from using the facilities. However, it is also recognised that there are positive benefits for the community when the population is fit and actively engaged. The pool also provides quality and accessible tuition in essential water safety and life skills, which produces both private and public benefits. To this extent funding from general rates is a key source of income for this activity.</p> <p><i>Community Hubs:</i> While there are identifiable private benefits from the provision of core Council services, programmes, recreational and leisure activities, and advice at Council's community hubs, Council views the open access to community hubs as being in the best interest of the city as a whole.</p> <p>Who pays: No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees. The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>
Parks and Reserves			
<p>Council provides and maintains passive recreational facilities in the city for the enjoyment and well-being of the public, free of charge. Sports fields are provided and maintained through charges to sports codes. Recreation areas are both natural and created, with the majority of effort targeted at maintenance and retaining areas in their natural state. This activity also includes Council's cemeteries.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • Healthy people • A healthy natural environment • Actively engaged in community activities • A healthy and attractive built environment 	<p>Public – High Other – Low</p>	<p>Who benefits: <i>Parks and Reserves:</i> Council views the active participation of residents in outdoor activities as beneficial to the whole community. Some degree of user charging is appropriate, however affordability for sporting clubs is now a factor in limiting participation. The actions of sports codes contribute to the need for Council to undertake the maintenance of sports fields. This is therefore an example of the exacerbator principle.</p> <p><i>Cemeteries:</i> There is a significant private benefit in this service to the families of deceased people where burials and interment services are provided. There is also an ongoing community benefit in providing for the respectful treatment of deceased people who form part of the community's heritage and whakapapa.</p> <p>While it is recognised that the rural sector often provides its own recreational land, Council considers that this sector is also a beneficiary from this activity and should share the general rates cost.</p> <p>Lands purchased for sports grounds and reserves provide substantial intergenerational benefits.</p> <p>Who pays: No particular sector or group is considered to derive benefit from these costs beyond those groups that can be targeted by user fees. The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>

Activity	Outcome	Funding Source Proportion	Funding Rationale [LGA 2002 Section 101(3)(A)] Who benefits (community as a whole, or individuals, group or users, exacerbators), intergenerational benefits, reasons for funding the activity separately
Community Facilities and Development			
<p>Council has underway a significant rejuvenation plan and programme for its community facilities. It plans to develop strategic and integrated community hubs across the city. The developments are predominantly aimed at increasing community participation and improving the wellbeing of Lower Hutt residents.</p> <p>Communities' facility developments are generally being done through the Community Facilities Trust, for which Council contributes funding by way of annual grant funding.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A safe community • A strong and diverse economy • An accessible and connected city • Healthy people • Actively engaged in community activities • Strong and inclusive communities 	<p>Public – High Other – Low</p>	<p>Who benefits: While there are identifiable private benefits from the provision of community facilities, the Council views the open and low cost access to community facilities as being in the best interest of the city as a whole.</p> <p>Who pays: No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees. The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>
Consents and Regulatory Services			
<p>The Regulatory Services team provides inspection, auditing, enforcement and education that ensures Council's policies and regulations are being complied with.</p> <p>The Environmental Consents Division is responsible for the regulatory consents and compliance functions for building work in Lower Hutt, for general advice to the public on consenting matters, for co-ordinating LIM applications for Council and for advice on environmentally sustainable residential design and products.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A safe community • A strong and diverse economy • An accessible and connected city • Healthy people • A healthy natural environment • A healthy and attractive built environment 	<p>Public – Medium Other – Medium</p>	<p>Who benefits: <i>Environmental Inspections & Enforcement:</i> The service acts to control the negative effects of non-compliance by individuals or groups, nearly all of which are businesses. There is also a general public benefit in the assurance of a safe environment.</p> <p><i>Animal Control:</i> Animal control is primarily the dog control function with a small amount of service involved with general livestock control. Dog registration fees are a targeted form of cost recovery for this activity. An animal control function is necessary in order to ensure the public is safe from the negative effects of animal ownership. At one level, the activity can be considered an exacerbator issue, as the actions of animal owners create the need for the service. Often, it can be hard to track down an animal's owner – or the animal may be a stray – so recouping the costs of this activity is difficult.</p> <p><i>Environmental Consents:</i> The environmental consents activity is undertaken to ensure that public welfare is not jeopardised by the actions of individuals or groups now or in the future.</p> <p><i>Building Consents:</i> Current charges for building consents are already considered to be significant. High charges may restrict development activity in the city.</p> <p>Who pays: These activities protect the public interests of both residents and business. After maximising user charges, the public good portion of this activity cost is allocated in proportion to each sector's share of the total capital value of the city.</p>
City Resilience			
<p>Council develops and implements city-wide emergency management plans, and promotes community preparedness for emergencies. Plans are also in place for dealing with and preventing rural fires.</p> <p>Council maintains the in-house capacity to co-ordinate responses to both civil defence and rural fire emergencies. There is a legal requirement under the Forest and Rural Fires Act and the Civil Defence Act for Council to perform these functions.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A safe community • Strong and inclusive communities 	<p>Public – High Other – Low</p>	<p>Who benefits: The whole community benefits from this activity. It is triggered where the disruption to community life is such that a coordinated community response is required.</p> <p>The work regarding rural fire response and prevention applies largely to Council-owned land and therefore any benefits apply to the community. A rural fire response is necessary to deal with fires lit accidentally or deliberately. Where the person responsible for starting a rural fire is identified, they are dealt with through the courts and compensation is obtained where possible.</p> <p>Revenue is collected from Upper Hutt City Council as an operating contribution towards the shared service and this is reflected in the 'other' funding source category.</p> <p>Who pays: No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees. The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>

Activity	Outcome	Funding Source Proportion	Funding Rationale [LGA 2002 Section 101(3)(A)] Who benefits (community as a whole, or individuals, group or users, exacerbators), intergenerational benefits, reasons for funding the activity separately
Roading and Accessways			
<p>The roading and accessways activity consists of five sub-functions – roading and footpaths, street cleaning, street lighting, traffic management and parking. Council provides, maintains and cleans sealed roads and footpaths throughout the city.</p> <p>Traffic control measures are utilised to ensure the efficient and safe movement of motor vehicles, cyclists, pedestrians and other forms of transport. Street lighting is provided to ensure the safety and security of road and footpath users at night.</p> <p>Parking involves the provision, maintenance and regulation of on-street and off-street carparks in the commercial areas of the city. The location and regulation of carparks is designed to ensure fair, easy and efficient access to the city's commercial areas.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A safe community • A strong and diverse economy • An accessible and connected city • Healthy people • A healthy and attractive built environment 	<p>Public – Medium/High Other – Medium/Low</p>	<p>Who benefits: <i>Roading:</i> Many of the benefits of roading networks accrue to individuals or businesses. To a large extent, this is reflected in the subsidies received by Council from government for roading, which are ultimately funded from fuel excise, road user charges, and vehicle registration charges.</p> <p>However, for the balance of costs which Council must cover, Council has no direct means to charge individual users of the local network on a user-pays basis. Consequently, rates revenue is used to fund Council's share of these costs. Most roading expenditure in the city relates to the ongoing maintenance of the existing network and assets, with only moderate expenditure on improvements. Most of the expenditure is therefore funded directly from rates revenue (and government subsidies) rather than through borrowing. However, major projects with benefits over several decades, or very high costs, will be debt funded, along with an approximate contribution from development contributions charges where possible. This helps ease the immediate burden on rates, helps to ensure intergenerational equity, and ensure growth costs are borne by developers.</p> <p><i>Street Cleaning:</i> Street cleaning has a range of benefits widely dispersed amongst the community, and for which there is little ability or sense in charging individuals for the benefits they receive. The need to undertake street cleaning is partially caused by the actions of individuals littering or dumping and is thus an exacerbator issue. However, it is very difficult to police this activity, and consequently few costs are able to be recovered this way.</p> <p><i>Parking:</i> The benefits of on-street parking largely accrue to the individuals or groups involved. However charging and actively monitoring parking in most areas, such as most urban neighbourhoods, is simply not practical or cost effective – although some time restrictions may still apply. Consequently, a large proportion of the cost is simply absorbed into the roading budget, and funded accordingly. In areas with a high concentration of parking demand, it becomes necessary and cost-effective to manage parking, allowing much of the cost associated with these parks to be recouped through parking charges and/or fines.</p> <p>The benefits of road facilities are ongoing and spread over the long term. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Who pays: Trip generation is used as an indicator of both the cause and benefit of this activity's costs. Trip generation of the Business/Utility and Residential sectors is estimated at 72%/28% respectively.</p> <p>The shares of general rates costs are allocated to these sectors on this same basis.</p>
Water Supply			
<p>This activity involves the supply of high quality drinkable water for domestic and commercial use. Council purchases bulk water from Greater Wellington Regional Council, and this accounts for 56% of the total cost of water supply to the city. Water is then distributed around the city through the local pipe network. Council's ownership of the pipe network is historical. There is a legal requirement for Council to retain control of these assets.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A strong and diverse economy • An accessible and connected city • Healthy people • A healthy natural environment • Strong and inclusive communities 	<p>Public – Low Other – High</p>	<p>Who benefits: Much of the benefit from this activity is considered to be private to the people who obtain and use the water. Public health benefits arise out of the treatment of water-borne diseases.</p> <p>Water leakage and unaccounted for water accounts for a portion of total water use. This cost is spread evenly across all users.</p> <p>There are ongoing benefits as long as infrastructure is maintained. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Who pays: In the absence of metering, targeted rates can be seen as a proxy for user charges. All connections are charged the targeted rate, and this is assumed to cover the supply of the average residential user. Commercial water users are charged on a metered rate for water consumption.</p>

Activity	Outcome	Funding Source Proportion	Funding Rationale [LGA 2002 Section 101(3)(A)] Who benefits (community as a whole, or individuals, group or users, exacerbators), intergenerational benefits, reasons for funding the activity separately
<p>Wastewater</p> <p>Council ensures the treatment and disposal of household and commercial effluent according to regional and national environmental standards. A new treatment plant was commissioned in 2002 to ensure effluent is treated to higher standards.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A strong and diverse economy • An accessible and connected city • Healthy people • A healthy natural environment • Strong and inclusive communities 	<p>Public – Low Other – High</p>	<p>Who benefits: The removal of wastewater largely benefits the person whose wastewater is removed. However, the public also benefits through improved public health and an unpolluted environment. The operation of many social and commercial activities would be curtailed if raw effluent was not properly dealt with.</p> <p>There is also a significant exacerbator component to the treatment of wastewater, as people cause costs through their action (for example commercial businesses that produce trade waste) or inaction (for example not installing a dual flush toilet).</p> <p>Some revenue is collected from the Upper Hutt City Council as an operating contribution towards the shared service.</p> <p>The benefits of wastewater services are ongoing and spread over the long term. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Who pays: In the absence of metering of water supplied as a proxy for water discharged, targeted rates can be seen as a proxy for user charges.</p>
<p>Stormwater</p> <p>Council operates an effective drainage system to protect property from flooding damage. Stormwater infrastructure includes pipe networks, street-side gutters, retention dams and open watercourses. These are provided and maintained according to the reasonable costs of managing foreseeable flooding events. There is a legal requirement for Council to retain control of these assets.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • A safe community • A strong and diverse economy • An accessible and connected city • Healthy people • A healthy natural environment • Strong and inclusive communities • A healthy and attractive built environment 	<p>Public – High Other – Low</p>	<p>Who benefits: Stormwater reticulation, watercourses, major storm events and watercourse quality management addressed under this activity, are partly for private benefit but mainly for public benefit. This is in terms of dealing with public spaces and the public stormwater system, minimising damage from severe flooding and conducting monitoring and pollution control for the community at large.</p> <p>Economies of scale associated with the provision of the overall system are also recognised.</p> <p>Buildings and pavements increase the necessity for stormwater management and in this respect the built-up areas can be considered to exacerbate the problem.</p> <p>The benefits accrue over a long period, and hence costs need to be appropriately allocated between current and future users. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Who pays: The business sector is estimated to represent around 37% of the city's impervious area after allowing for a proportion of road stormwater allocated to the business sector on the same basis as the roading activity. General rates allocation to the business sector is twice this sector's share of the city capital value.</p>
<p>Solid Waste</p> <p>Council contracts out the collection of residential solid waste and household recycling. It also owns a landfill for the disposal of the city's refuse.</p> <p>Council wishes to promote recycling and waste reduction and to provide for the disposal of the city's solid waste.</p> <p>Commercial operators also provide waste and recycling collection services so that ratepayers have options other than Council services.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> • Healthy people • A healthy natural environment 	<p>Public – Low Other – High</p>	<p>Who benefits: The primary benefits of this activity are private benefits to people whose refuse is disposed of, and this is the classic example of polluter pays.</p> <p>Council provides kerbside recycling which is funded through a targeted rate. Recycling produces public benefits through sustainable resource use and through the deferral of costs involved in replacing landfills.</p> <p>There are also public benefits in ensuring that refuse is disposed of appropriately. The consequences of poorly dealt with waste are immediate public health effects. Longer term health effects can also result from interaction with contaminated sites.</p> <p>The benefits of this activity are ongoing and spread over a long period. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Who pays: The solid waste function makes an overall surplus, particularly as a result of landfill activities. This return on investment compensates Council as a whole and the whole ratepayer base for the long term business risks of landfill operation and aftercare. Any surplus is therefore used to offset general rates.</p>

Activity	Outcome	Funding Source Proportion	Funding Rationale [LGA 2002 Section 101(3)(A)] Who benefits (community as a whole, or individuals, group or users, exacerbators), intergenerational benefits, reasons for funding the activity separately
City Environment			
<p>Council develops District Plan policy and makes changes to the District Plan in line with national and regional policy changes and also in line with expectations of the local community. The District Plan provides the 'rules' by which individuals and businesses can build and undertake activity within the city.</p> <p>Council aims to develop an urban environment that will help to attract people and investment and enhance the city's image. The public space of the city is managed and developed by Council on behalf of the community. The benefits of preserving buildings of architectural, heritage and historic value are to both the community as a whole and the owner or occupier. Council purchases the public benefit of this on behalf of the community.</p>	This activity contributes to all Community Outcomes.	Public – High Other – Low	<p>Who benefits: <i>Environmental Policy:</i> District planning has a mix of private and public benefits, as well as encouraging optimal resource use over time. The District Plan is determined by the community in terms of the Resource Management Act. It therefore applies to, and represents, the environmental aspirations of the community as a whole.</p> <p><i>Local Urban Environment:</i> Council aims to carry out improvements to public areas to improve the amenity value of the city. Most of the benefits from this activity accrue to the community as a whole. Certain parts of the community, such as business owners, may gain distinct private benefits as a result of Council work in shopping areas etc. Benefits are ongoing, and work particularly around the preservation of heritage elements is intended for the benefit of future generations. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p>Who pays: These activities protect the public interests of both residents and business. After maximising user charges (which are minimal and in some years non-existent), the public good portion of this activity cost is allocated in proportion to each sector's share of the total capital value of the city.</p>
City Development			
<p>Council has a leading role in fostering the city's growth in a number of ways. These are through creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism to the city and contributing to regional growth through regional economic development initiatives. Individual businesses generally have insufficient incentives to explore opportunities that benefit the city as a whole as well as themselves. The city's businesses and residents benefit from Council's support of the business sector and from the promotion of the city as a place to visit.</p> <p>Council undertakes a number of activities in this area including external communications (e.g. to residents and businesses), marketing and promotions, web-based information and local and national level events. Council does this to ensure that all parts of the community have the information they require about Council, are aware of what is happening in the city, can do business with us online and have access to community and other events.</p>	This activity contributes to all Community Outcomes.	Public – Medium/High Other – Medium/Low	<p>Who benefits: Economic Development: These projects are targeted at regional cooperation and growth industries. The general economic development function of Council aims to increase jobs and wealth for the benefit of the whole city in the long term.</p> <p>City Promotions: The beneficiaries of this activity are the people, businesses and organisations in the city who benefit from having access to information, doing business online with us and who attend or are part of events.</p> <p>Who pays: The city applies for and receives some grant funding to help with specific events in the city. No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees (minimal). The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>
City Governance			
<p>Council is an elected body that governs the direction and objectives of the activities it is responsible for on behalf of the city.</p> <p>Community representatives on Community Boards and Community Funding Panels are part of Council and provide local input into governance issues. Council is required by law to have elected members.</p> <p>This activity also involves the processes of policy formation, consultation and public accountability on behalf of Council. The most public examples of this are the annual planning and reporting processes and the development of the city's strategic plans. Professional advice and support are necessary to assist the community and their representatives on Council, Community Boards and Community Funding Panels to make informed decisions on behalf of the community.</p>	This activity contributes to all Community Outcomes.	Public – High Other – Low	<p>Who benefits: The beneficiaries of this activity are the people and organisations in the city who benefit through the democratic governance of the city's affairs.</p> <p>Who pays: No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees. The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>
City Leadership			
<p>This activity incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:</p> <ul style="list-style-type: none"> • Human Resources Management • Financial Management • Corporate Strategy and Risk • General Counsel • Communication & Marketing • Information Services 	This activity contributes to all Community Outcomes.	Public – High Other – Low	<p>Who benefits: The entire community benefits from the Council being run as an efficient organisation.</p> <p>Who pays: No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees. The public good portion of this activity cost is therefore allocated in proportion to each sector's share of the total capital value of the city.</p>

Forecast Financial Statements

These are the Forecast Financial Statements which Council has adopted to meet the requirements of Clause 12 of Schedule 10 of the Local Government Act 2002. The information may not be appropriate for other purposes.

Every three years it is a requirement of the Local Government Act 2002 to present Forecast Financial Statements that span 10 years. This provides an opportunity for ratepayers and residents to assess the appropriateness of the financial actions planned by Council. The Forecast Financial Statements outline how Council will be funded for the next 10 years and how that money will be spent. It is intended to ensure proper and prudent financial and asset management in the long term. The information contained in the Forecast Financial Statements may not be appropriate for other purposes. Council prepared a Long Term Plan 2018-2028 (LTP) which included ten year forecasts. As part of the Annual Plan 2020-2021 process (year 3 of the LTP) the financial forecasts have been updated for future years.

Council has Asset Management Plans for its assets. These plans, along with the Council's financial and infrastructure strategies, have provided the basis for development of the Forecast Financial Statements.

The Forecast Financial Statements have been prepared in accordance with New Zealand generally accepted accounting practice (GAAP), as required by section 111 of that Act. Council is designated as a public benefit entity for the purposes of complying with GAAP. The Forecast Financial Statements comply with Public Benefit Entity Financial Reporting Standard No. 42 – Prospective Financial Statements and New Zealand GAAP.

The Forecast Financial Statements are based on estimates of costs and revenues into the future. The degree of uncertainty surrounding these estimates increases as the Forecast Financial Statements look further into the future. Key assumptions and risks are outlined in the following pages.

The forecast financial statements include:

- The budgets for 2019 - 2020 included in the 2019 - 2020 Annual Plan;
- The budgets for 2020 - 2021 included in the 2018 - 2028 Long Term Plan;
- The budget that Council has adopted for the 2020 - 2021 financial year.

Council is producing a one-year 'emergency budget' for 2020-21 due to the Covid-19 pandemic, and as a result there are no further financial forecasts beyond 2020-21. Next year a ten year Long Term Plan 2021-2031 will be prepared.

Actual results achieved for each reporting period are likely to vary from the forecasts presented, and the variations may be material.

An Annual Plan may include Forecast Financial Statements for any Council Controlled Organisation or other entity under the Council's control. We have not included these due to timing issues associated with the availability of the information.

Council updates its Forecast Financial Statements annually.



Forecasting assumptions

Assumption	Risk	Level of Uncertainty	Reason for the Uncertainty	Financial Impact of the Uncertainty
<p>Inflation There are two separate methodologies applied to inflationary increases to Council's budgets.</p> <p>Annual Rates Income Increases The Financial Strategy details maximum quantified limits for rates income, being no more than actual Local Government Cost Indices (LGCI) for the preceding financial year, after allowing for estimated average growth.</p> <p>In the preparation of the Annual Plan 2020-2021 the 2019 BERL indicators were applied. For 2020-21 the BERL increase is 2.8% plus Council has agreed to a further increase of 1% due to risks related to the assumed growth in the rating base of 1%.</p> <p>Operating and Capital Expenditure Annual inflationary increases are based on the annual LGCI indices, as published in the 2019 BERL Report. For 2020/21 the increase is 2.8%.</p>	Actual LGCI for the year significantly differs from that included in the budgets.	Moderate	The LGCI estimates used are the forecasts issued by BERL in 2019. The actual LGCI rate for the most recent 12 months ending 30 June are used to set rates in the following financial year. Actual LGCI rates may differ from LGCI forecasts.	Inflationary pressure outside the forecast LGCI range is not included in the LTP.
<p>Growth Council projections for income from rates revenue include an allowance for growth and inflation. Average growth of 1% per annum in the rating base is assumed. This incorporates population movements and increases in the number of houses in Lower Hutt, based on the targets outlined in Council's Urban Growth Strategy.</p>	The actual rates for growth are significantly different from the projected rates of growth.	Moderate	Uncertainty exists as the projected increases in population and number of houses may not be realised.	Rates of growth which vary significantly from the assumed level will result in unbudgeted financial pressures.
<p>Population Growth Estimated population as at 30 June 2019 was 108,700.</p>	Population growth rates exceed or are less than forecast.	Moderate	Uncertainty exists as the projected increases in population and the associated number of houses may not be realised.	Rates of growth which vary significantly from the assumed level will result in unbudgeted financial pressures.
<p>Interest Rates The 2020-2021 Annual Plan has estimated the average cost of borrowing at 3.2%.</p>	Interest rates and swap rates are significantly different from those budgeted.	Moderate	Council has interest rate swaps in place to minimise the fluctuation of interest rate movements.	Higher interest rates provide ability to earn higher income from cash holdings. Higher interest rates may lead to higher interest cost on debt.
<p>Employee Cost Growth Service levels are generally assumed to remain the same for the period covered by the Forecast Financial Statements. Employee numbers remain stable during the period. Pay inflation is assumed to be the Covid-19 budget pressure.</p>	Staffing levels are higher or lower than budgeted.	Low	Changes in service demand and/or local government structure would provide uncertainty.	Financial impacts arising from changes in service demand and/or local government structure are not included in the LTP. A 1% increase in staff numbers may result in an average cost increase of approximately \$360,000 per year.
<p>Natural Disasters and Insurance Costs Council has comprehensive insurance policies which are designed to provide substantial, but not total, cover from the financial impact of natural disasters. The level of insurance cover is calculated by extensive loss modelling which estimates the maximum probable loss.</p>	The damage exceeds the cover obtained by Council and its ability to fund the repair/reconstruction out of normal budgetary provisions. Cost of insurance increases more than budgeted.	Moderate	Council has in the past covered earthquake and adverse weather events. Council operates an emergency management function to respond to such events. Uncertainty arises with scale, duration and location of events. Capacity in the insurance market for New Zealand has decreased, especially in high risk areas like the Wellington region.	Council has nearly \$1.6 billion in assets. Our insurance for underground assets (water, wastewater and stormwater pipes) is intended to cover 40% of the maximum loss that Council is likely to suffer following a natural catastrophe. Council would be dependent on government funding to cover the remaining 60% share. Our insurance also covers other assets including buildings and recreation facilities (but excluding roading assets) up to our maximum probable loss.

Assumption	Risk	Level of Uncertainty	Reason for the Uncertainty	Financial Impact of the Uncertainty
<p>Asset Revaluation Council revalued asset classes as at May 2020 in accordance with its accounting policies, and the results of the revaluation have been applied from 1 June 2020. Council assesses the carrying value of its revalued assets annually to ensure they do not differ materially from the assets' fair value. For further information please refer to the accounting policies.</p>	Asset revaluations differ from those budgeted, depreciation charges resulting may differ.	Moderate	Market buoyancy and property pricing influences the value of the property assets. Contract and construction prices influence the value of infrastructure assets.	Higher level of asset valuation means more depreciation to use to fund asset renewals and some improvements. Lower levels of valuation and depreciation reduce council ability to fund capital from depreciation and place more reliance on funding improvements from other funding mechanisms such as debt or rates. Depreciation rates are contained in accounting policies.
<p>Asset Sales There are no asset sales planned for 2020-21.</p>	N/A	N/A	N/A	N/A
<p>Asset Lives Refer to the Statement of Significant Accounting Policies.</p>				
<p>NZ Transport Agency The NZTA subsidy is 51% for both operating and capital works. For projects which are not fully subsidised by NZTA, a lower subsidy applies.</p>	Current funding patterns and subsidy percentages may change during the life of the LTP.	Low	The impact of projects of national significance may change criteria.	Any change in subsidy rate would lead to a reduction in the work programme or reprioritisation of projects.
<p>Level of Debt The 2020-2021 AP set limits on Debt at 150% of total revenue (excl vested assets) for 2020/21. Net interest must be less than 10% of revenue (excl vested assets).</p>	Higher debt levels lead to higher servicing costs.	Low	Ability to service debt from existing funding sources reduces.	Change in capital programme, service levels offered by Council or rates revenue requirements may lead to a change in debt levels.
<p>Sources of Funds Refer to Council's Revenue and Financing Policy included in this plan.</p>				
<p>Climate Change Council continues to review and plan how it will be able to manage and cope with adverse effects of climate change.</p>	The impacts of changing weather patterns associated with climate change on maintenance and capital works may be greater or faster than predicted.	High	Extreme weather results.	The effects of projected climate changes will impact on council activities and asset planning.



Prospective Statement of Comprehensive Revenue and Expense for the year ending 30 June

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Revenue			
Rates funding	72,407	75,073	74,882
Targeted rates	35,660	35,695	38,372
User charges	41,840	39,391	39,961
Operating subsidies & grants	4,368	4,281	4,503
Capital subsidies	8,067	9,011	9,377
Upper Hutt CC operating subsidies	2,545	2,625	2,113
Development & financial contributions	1,702	1,106	2,802
Interest earned	982	995	796
Dividends	-	-	6
Gain on disposal of assets	-	-	-
Vested assets	858	878	858
Other revenue	5,086	4,914	4,833
Total revenue	173,515	173,969	178,503
Expenditure			
Employee costs	38,082	37,386	37,223
Operating costs	99,349	80,602	98,318
Support costs	-	-	-
Finance costs	8,796	10,478	8,198
Loss on disposal of assets	-	-	-
Depreciation and amortisation	40,541	41,119	44,441
Total expenditure	186,768	169,585	188,180
Surplus/(deficit) before tax	(13,253)	4,384	(9,677)
Tax expense	-	-	-
Surplus/(deficit) after tax	(13,253)	4,384	(9,677)
Other comprehensive income			
Gain/(loss) on revaluation of financial instruments	-	-	-
Gain/(loss) on asset revaluation	-	78,542	-
Total other comprehensive income	-	78,542	-
Total comprehensive income	(13,253)	82,926	(9,677)

Comparison Between Annual Plan 2020-2021 and Long Term Plan (Year 3) 2020/21

Whilst the LTP projected a \$4.4M surplus in 2020/21, the Annual Plan projects a deficit of \$9.7M. This is largely due to a range of risks and new cost pressures which have eventuated, together with decisions by Council to progress priority initiatives.

Total rates funding has increased by \$2.5M, mainly because the LTP had allowed for a lower amount for inflation and a lower amount for growth.

Revenue, excluding rates, has increased by \$2.0M compared to the LTP, mainly due to higher consents revenue (\$1.9M), reserve contributions (\$0.8M), higher development contributions (\$1.7M), and higher landfill revenue (\$0.5M); offset by reduced fees and charges in community hubs, closure of Naenae Pool (\$0.9M), reduced parking and infringement fees (\$1.2M), reduced Upper Hutt subsidies (\$0.5M) and reduced interest revenue (\$0.2M).

Operating expenditure has increased by \$18.5M compared to the LTP, largely due to increased investment in Three Waters (\$1.8M), higher depreciation (\$3.3M), Development Stimulus Package (\$4M budgeted as capital expenditure in the LTP, not operating expenditure), increased insurance costs (\$1M), District Plan work (\$1.3M being a legislative requirement that was unbudgeted in the LTP), Naenae Pool (\$1.5M due to the recent seismic structural issue), higher road and accessways costs mainly from deferred work (\$0.9M), landfill costs (\$0.5M), increased refuse and recycling collection costs (\$0.8M), Information Services costs (\$2.1M), Hutt Valley Tennis (\$0.5M), Hutt Valley GymSports (\$0.5M), Homelessness Strategy (\$0.5M), biodiversity assistance for private landowners (\$0.2M), community engagement (\$0.15M), climate change (\$0.25M) and Naenae CBD activation (\$0.3M), offset by savings in interest expenses (\$2.2M).

Prospective Statement of Changes in Net Equity for the year ending 30 June

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Equity at beginning of the year	1,298,906	1,312,064	1,330,317
Total Comprehensive Income	(13,253)	82,926	(9,677)
Equity at end of the year	1,285,653	1,394,990	1,320,640
Represented by:			
Accumulated funds			
Opening balance	675,109	698,593	646,597
Interest allocated to reserves	(539)	(394)	(105)
Other transfers to reserves	(2,123)	-	(1,495)
Transfers from reserves	949	606	721
Net surplus / (deficit) after tax	(13,253)	4,384	(9,677)
Closing balance	660,143	703,189	636,041
Council created reserves			
Opening balance	25,670	20,191	24,045
Transfers to accumulated funds	(949)	(606)	(658)
Transfers from accumulated funds	2,123	-	1,495
Interest earned	537	392	105
Closing balance	27,381	19,977	24,987
Restricted reserves			
Opening balance	87	91	66
Transfers to accumulated funds	-	-	(63)
Transfers from accumulated funds	-	-	-
Interest earned	2	2	-
Closing balance	89	93	3
Asset revaluation reserves			
Opening balance	598,040	593,189	659,609
Changes in asset value	-	-	-
Valuation gains (losses) taken to equity	-	78,542	-
Closing balance	598,040	671,731	659,609
Total equity	1,285,653	1,394,990	1,320,640

Prospective Statement of Financial Position for the year ending 30 June

	Annual Plan 2020 \$'000	Long Term Plan 2021 \$'000	Annual Plan 2021 \$'000
Current assets			
Cash and cash equivalents	20,871	17,715	(10,318)
Debtors and other receivables	14,854	12,918	25,606
Derivative financial instruments	-	-	-
Non-current assets held for sale	750	-	-
Other assets	7,205	14,039	7,493
Total current assets	43,680	44,672	22,781
Non-current assets			
Property, plant and equipment	1,443,393	1,583,993	1,535,769
Assets under construction	45,534	25,937	1,814
Intangible assets	4,947	5,432	8,897
Derivative financial instruments	-	111	-
Investment in subsidiaries	858	1,808	858
Investment in associates	200	200	200
Other financial assets	28,271	20,415	37,039
Total non-current assets	1,523,203	1,637,896	1,584,577
Total assets	1,566,883	1,682,568	1,607,358
Current liabilities			
Cash and cash equivalents	-	-	-
Borrowings - current	41,688	35,613	25,258
Derivative financial instruments	3	995	38
Creditors and other payables	27,345	24,330	13,145
Employee entitlements	2,242	2,154	2,170
Other liabilities	5,186	5,351	5,362
Total current liabilities	76,464	68,443	45,973
Non-current liabilities			
Borrowings - non current	188,401	205,144	212,927
Derivative financial instruments	10,449	7,658	534
Provisions	5,300	5,668	21,971
Employee entitlements	616	665	5,313
Total non-current liabilities	204,766	219,135	240,745
Total liabilities	281,230	287,578	286,718
Net assets	1,285,653	1,394,990	1,320,640
Represented by:			
Equity			
Accumulated funds	660,143	703,189	636,041
Restricted reserves	89	93	3
Council created reserves	27,381	19,977	24,987
Revaluation reserves	598,040	671,731	659,609
Total equity	1,285,653	1,394,990	1,320,640

Prospective Statement of Cash Flows for the year ending 30 June

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Cash flows from operating activities			
Cash was provided from:			
Receipts from rates and levies - Council	108,067	110,768	113,254
User charges and other income	63,608	61,055	54,589
Interest received	982	995	796
Dividends received	-	-	6
Receipts from rates and levies - GWRC	29,839	29,570	32,391
Net GST received from Inland Revenue	-	-	-
	202,496	202,388	201,036
Cash was applied to:			
Payments to employees	(38,082)	(37,418)	(37,223)
Payments to suppliers	(99,349)	(79,764)	(101,318)
Interest paid	(8,796)	(10,478)	(8,198)
Rates and levies passed to GWRC	(29,839)	(29,570)	(32,391)
Net GST paid to Inland Revenue	-	-	-
	(176,066)	(157,230)	(179,130)
Net cash inflows from operating activities	26,430	45,158	21,906
Cash flows from investing activities			
Cash was provided from:			
Sale of property, plant and equipment	2,123	-	-
Other investment receipts	-	94	-
	2,123	94	-
Cash was applied to:			
Purchase of property, plant and equipment	(52,802)	(66,616)	(53,988)
Less UHCC capital contribution	1,619	5,572	4,701
Purchase of assets under construction	-	-	-
Purchase of intangible assets	(2,120)	(1,501)	(6,505)
Other investments and payments	-	-	-
	(53,303)	(62,545)	(55,792)
Net cash outflows from investing activities	(51,180)	(62,451)	(55,792)

	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Cash flows from financing activities			
Cash was provided from:			
Proceeds from borrowing	55,126	56,384	41,679
	55,126	56,384	41,679
Cash was applied to:			
Repayment of borrowing	(30,376)	(38,464)	(19,793)
	(30,376)	(38,464)	(19,793)
Net cash inflows/(outflows) from financing activities	24,750	17,920	21,886
Net increase/(decrease) in cash, cash equivalents and bank overdraft	-	627	(12,000)
Cash, cash equivalents and bank overdraft at beginning of the year	20,871	17,088	1,682
Cash, cash equivalents and bank overdraft at end of the year	20,871	17,715	(10,318)
Cash balance at end of the year comprises:			
Cash and on call deposits	20,871	17,715	(10,318)
Short term deposits	-	-	-
Bank overdraft	-	-	-
Cash, cash equivalents and bank overdraft at end of the year	20,871	17,715	(10,318)



Notes to the Financial Statements

Reporting Entity

Hutt City Council (referred to as '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 (CCOs), Seaview Marina Limited and Urban Plus Limited Group (both 100% owned) and its controlled trust Hutt City Community Facilities Trust.

The Urban Plus Limited Group consists of Urban Plus Limited and its 100% owned subsidiaries UPL Development Limited (formerly Fairfield Waters Limited) and UPL Limited Partnership (formerly Fairfield Limited Partnership). Council's 21% equity share of its associate Wellington Water Limited is equity accounted. Council's subsidiaries/CCOs are incorporated and domiciled in New Zealand.

Council provides local infrastructure, local public services and performs regulatory functions to the community. Council does not operate to make a financial return. Accordingly, Council has designated itself and the Group as public benefit entities (PBE's) for financial reporting purposes.

Basis of preparation

Statement of compliance

The Financial Statements have been prepared in accordance with the requirements of the LGA, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The Financial Statements have been prepared in accordance with Tier 1 PBE accounting standards. These Financial Statements comply with PBE accounting standards.

The prospective financial statements were authorised for issue by Council on 30 June 2020. The Mayor and Chief Executive that authorise the issue of the prospective financial statements by Council are responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated in these prospective financial statements. It is not intended to update the prospective financial statements subsequent to presentation.

Measurement base

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

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

Presentation currency and rounding

The Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000). The functional currency of Council is New Zealand dollars.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Statement of Comprehensive Revenue and Expenses.

Summary of significant accounting policies

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Council and the revenue can be reliably measured, regardless of when payment is being made.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue is disclosed as either exchange or non-exchange transactions. Exchange transactions are transactions in which Council receives resources (assets or services, or has liabilities extinguished), and directly gives approximately equal value (primarily in the form of cash, goods, services, or use of assets) to the other party for the transaction. Non-exchange transactions are transactions in which Council receives resources and provides nil or nominal consideration directly in return.

The specific recognition criteria described must also be met before revenue is recognised.

Revenue from exchange transactions:

Direct charges – full cost recovery

1. Rendering of services – full cost recovery

Revenue from the rendering of services (such as marina fees) is recognised by reference to the stage of completion of the transaction at balance date based on the actual service provided as a percentage of the total service to be provided.

2. Sale of goods – full cost recovery

Revenue from the sale of goods (such as rubbish bags) is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods, and when the amount of revenue can be measured reliably and it is probable that the economic benefits or service potential associated with the transaction will flow to Council.

Interest

Interest income is recognised using the effective interest method.

Dividends

Revenue is recognised when Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

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 and is included in revenue in the Statement of Comprehensive Revenue and Expense.

Revenue from non-exchange transactions:

General and targeted rates revenue

General rates, targeted rates (excluding water-by-meter) and uniform annual general charges are set annually by a resolution from Council and relate to a financial year. All ratepayers are invoiced within the financial year to which the rates have been set. Council recognises revenue from rates when the Council has struck the rate and provided the rates assessment. Rates revenue is measured at the amount assessed, which is the fair value of the cash received or receivable.

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

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

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

Rates collected on behalf of the Greater Wellington Regional Council (GWRC) are not recognised in the Financial Statements as the Council is acting as an agent for the GWRC.

Government grants and funding

Council receives government grants from the New Zealand Transport Agency (NZTA), which subsidises part of the costs of maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Council receives grants and subsidies from other organisations. All grants and subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Infringement fees and fines

Council recognises revenue from fines (such as traffic and parking infringements) when the notice of infringement or breach is served by Council. 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.

Direct charges – subsidised

1. Rendering of services - subsidised

Rendering of services at a price that is not approximately equal to the value of the service provided by Council is considered a non-exchange transaction. This includes rendering of services where the price does not allow Council to fully recover the cost of providing the service (such as resource consents, building consents, water connections, dog licensing, etc.), and where the shortfall is subsidised by income from other activities, such as rates. Generally there are no conditions attached to such revenue.

Revenue from such subsidised services is recognised as the amount of the invoice or bill, which is the fair value of the cash received or receivable for the service.

Revenue is recognised by reference to the stage the conditions under the agreement are met, to the extent that Council has an obligation to refund the cash received from the service (or to the extent that the customer has the right to withhold payment from Council for the service) if the service is not completed.

2. Sale of goods – subsidised

A sale of goods at a price that is not approximately equal to the value of the goods provided by Council is considered a non-exchange transaction. This includes sales of goods where the price does not allow Council to fully recover the cost of producing the goods (such as recycle bins), and where the shortfall is subsidised by income from other activities such as rates.

Revenue from the sale of such subsidised goods is recognised when Council issues the invoice or bill for the goods.

Revenue is recognised as the amount of the invoice or bill, which is the fair value of the cash received or receivable for the goods.

Development and financial contributions

Development and financial contributions are recognised as revenue when Council has the right to receive the funds for which the contribution was levied.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue when control over the asset is obtained. The fair value of vested or donated 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.

Donated and bequeathed finance assets

Donated and bequeathed financial assets are recognised as revenue unless there are substantive use or return conditions. A liability is recorded if there are substantive use or return conditions and the liability is released to revenue as the conditions are met (e.g. as the funds are spent for the nominated purpose).

Construction contracts

Contract revenue and contract costs are recognised as revenue and expenses respectively by reference to the stage of completion of the contract at balance date. The stage of completion is measured by reference to the contract costs incurred up to balance date as a percentage of total estimated costs for each contract.

Contract costs include all costs directly related to a specific contract, costs that are specifically chargeable to the customer under the terms of the contract and an allocation of overhead expenses incurred in connection with Council's construction activities in general.

An expected loss on construction contract is recognised immediately as an expense in the surplus or deficit.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred. When it is probable that the costs will be recovered, revenue is recognised to the extent of costs incurred.

Construction work in progress is stated as the aggregate of contract costs incurred to date plus recognised surpluses less recognised losses and progress billings. If there are contracts where progress billings exceed the aggregated costs incurred plus surplus less losses, the net amounts are presented as a liability.

Borrowing costs

Borrowing costs are recognised as an expense in the period in which they are incurred. Borrowing costs consist of interest and other costs that Council incurs in connection with the borrowing of funds. Council has chosen not to capitalise borrowing costs directly attributable to the acquisition, construction or production of assets.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received.

Discretionary grants are those grants where Council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of Council's decision. Council's grants awarded have no substantive conditions attached.

Income tax

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. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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 Statement of Financial Position and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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 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.

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at inception date. The substance of the arrangement depends on whether fulfilment of the arrangement is dependent on the use of a specific asset or assets or the arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Council as a lessee

Finance leases

Council does not enter into Finance Lease arrangements.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Council as a lessor

Leases in which Council does not transfer substantially all the risks and benefits of ownership of an asset are classified as operating leases. Initial direct costs incurred in negotiating an operating lease are added to the carrying amount of the leased asset and recognised over the lease term. Rent received from an operating lease is recognised as income on a straight-line basis over the lease terms and disclosed within revenue from exchange transactions in the Statement of Comprehensive Revenue and Expense.

Cash and cash equivalents

Cash and cash equivalents (current assets) in the Statement of Financial Position comprise 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 which are subject to an insignificant risk of changes in value.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within interest bearing loans and borrowings in current liabilities in the Statement of Financial Position.

Debtors and other receivables

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

Derivative financial instruments

Council uses derivative financial instruments such as foreign currency contracts and interest rate swaps to manage exposure to foreign exchange and interest rate risks arising from Council's operational and 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 Council does not designate its derivative financial instruments as hedging instruments for

accounting purposes, the associated gains or losses on derivatives are recognised within the Statement of Comprehensive Revenue and Expense.

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.

Other financial instruments

Financial assets are initially recognised at fair value plus transaction costs unless they are carried at fair value through surplus or deficit in which case the transaction costs are recognised in the surplus or deficit.

Purchases and sales of financial assets are recognised on trade-date, the date on which the Council commits to purchase or sell the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

Financial assets are classified into the following categories for the purpose of measurement:

- Fair value through surplus or deficit;
- Loans and receivables;
- Held-to-maturity investments; and
- Fair value through other comprehensive revenue and expenses.

The classification of a financial asset depends on the purpose for which the instrument was acquired.

Financial assets at fair value through surplus or deficit

Financial assets at fair value through surplus or deficit include financial assets held for trading. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or part of a portfolio of identified financial instruments that are managed together and for which there is evidence of short term trading.

Derivatives (e.g. interest rate swaps and options) are also categorised as held for trading.

Financial assets acquired principally for the purposes of selling in the short term or part of a portfolio classified as held for trading are classified as a current asset.

After initial recognition, financial assets in this category are measured at their fair values with gains or losses recognised in the surplus or deficit (or in the case of derivatives through comprehensive revenue and expenses).

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

Council loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits and community and related party loans.

After initial recognition they are measured at amortised cost, using the effective interest method, less impairment.

Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Loans to community organisations made by Council at nil, or below-market, interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar financial instrument.

The difference between the face value and present value of the expected future cash flows of the loan is recognised in the surplus or deficit as a grant expense. The loans are subsequently measured at amortised cost using the effective interest method.

Held to maturity investments

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities where there is the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Financial assets at fair value through other comprehensive revenue and expense

Financial assets at fair value through other comprehensive revenue and expense are those that are designated into the category at initial recognition or are not classified in any of the other categories above. They are included in non-current assets unless management intends to dispose of, or realise, the investment within 12 months of the balance date.

Council includes in this category:

- investments that it intends to hold long term but which may be realised before maturity; and

- shareholdings that it holds for strategic purposes.

These investments are measured at their fair value, with gains and losses recognised in other comprehensive revenue and expense, except for impairment losses, which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment of financial assets

Financial assets are assessed for evidence of impairment at each balance date. Any impairment losses are recognised in the surplus or deficit.

Loans, receivables and term deposits

Impairment is established when there is evidence that Council will not be able to collect all amounts due according to the original terms of the receivable. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, receivership, or liquidation and default in payments are indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of a provision account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (that is not past due). Impairment in term deposits and community loans is recognised directly against the instrument's carrying amount.

Financial assets at fair value through other comprehensive revenue and expense

For equity investment, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payment are objective indicators that the asset is impaired.

If evidence exists for investments at fair value through other comprehensive revenue and expense, the cumulative loss (measured as the difference between the acquisition costs and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive revenue and expense is reclassified from equity to the surplus or deficit.

Impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment is revenue in the surplus or deficit.

De-recognition

Financial assets (or, where applicable, a part of a financial asset or part of a group of similar financial assets) are de-recognised when the rights to receive cash flows from the financial assets have expired or have been transferred and Council has transferred substantially all the risks and rewards of ownership.

Inventory

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 (using the FIFO method), adjusted when applicable for any loss of service potential.

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

Inventories held for use in the provision of goods and services on a commercial basis are valued at the lower of cost (using the FIFO method) and net realisable value.

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 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.

Non-current assets held for sale

Non-current assets held for sale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less costs to sell.

Any impairment losses for write-downs of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less costs to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets

These include land, buildings, landfill post-closure, improvements, library books, plant and equipment, collection items and motor vehicles.

Restricted assets

Restricted assets are mainly parks and reserves owned by Council 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. 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 (operational and restricted, except land under roads) and art collections are measured at fair value. Buildings and infrastructure assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Measurement subsequent to initial recognition - revaluation

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

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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 expense 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 expense 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 expense.

The fair value of land and buildings is their market value as determined by a registered valuer. The fair value of the roading, water assets, stormwater assets and wastewater assets is measured using the depreciated replacement cost.

Additions

The cost of an item of property, plant and equipment is recognised as an asset if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council 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.

Disposals

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. 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.

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 Council and the cost of the item can be measured reliably.

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

Depreciation

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

	Years	Percentages
Operational assets		
Site Improvements	1 – 45	2.22 – 100.00
Buildings	1 – 80	1.25 – 100.00
Landfill assets (including plant and infrastructure not associated with the network)	3 – 50	2.00 - 33.33
Library books	7	14.28
Plant and equipment	3 – 30	3.33 – 33.33
Vehicles	5	20.00
Wharves	10 – 40	2.50 – 10.00
Breakwaters	68	1.47
Infrastructure assets		
Storm, supply and waste water utility assets		
Storm water assets	13 – 56	1.80 – 7.70
Water supply assets	8 – 10	2.50 – 12.50
Wastewater assets (including treatment plant)	3 – 137	0.73 – 33.33
Roading network	2 – 92	1.09 – 20.00
Seawalls	46	2.17

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 pays an annual levy to Hutt City Council based on an apportionment formula equating to between 26% and 33% of the funding requirements. While Upper Hutt City Council 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.

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

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 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 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 de-recognised. 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:

Computer software

2 - 5 years 20.00% – 50.00%

Resource consents

5 - 35 years 2.86% – 19.00% (Life of the consent)

Impairment of property, plant, equipment and 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.

Property, plant, equipment and 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.

Where an asset has been previously revalued, the impairment loss is recognised through the revaluation reserve of that asset category and will appear in comprehensive income. The reversal of an impairment loss is recognised through the revaluation reserve and will appear in comprehensive income.

For other assets that have not been revalued, the impairment loss is recognised in the surplus or deficit. The reversal of an impairment loss on non-revalued assets is recognised in the surplus or deficit.

Value in use for non-cash generating assets

Non-cash generating assets are those assets that are not held with the primary objective of generating a commercial return.

For non-cash generating assets, value in use is determined using the approach based on either a depreciated replacement cost approach, restoration costs approach, or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

Value in use for cash-generating assets

Cash generating assets are those assets that are held with the primary objective of generating a commercial return.

The value in use for cash-generating assets and cash-generating units is the present value of expected future cash flows.

Payables

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

Borrowings

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

Employee entitlements

Short-term benefits

Employee benefits that Council expects to be settled wholly before 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 earned to, but not yet taken at balance date, and retiring and long service leave entitlements expected to be settled wholly before 12 months.

Council recognises 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 that are due to be settled beyond 12 months after the end of the period in which the employee renders the related service, such as long service leave and retiring leave, have been calculated on an actuarial basis.

The calculations are based on:

- Likely future entitlements accruing to staff based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave and vested long service leave are classified as a current liability. Non-vested long service leave and retirement gratuities expected to be settled within 12 months of the balance date are classified as current liabilities. All other employee entitlements are classified as a non-current liability.

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.

Defined benefit schemes

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

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

Provisions

Council 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 landfill sites 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 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 is 28 years and Wainuiomata is 26 years.

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

Amounts provided for closure and post-closure costs are capitalised to the landfill asset where they give rise to future economic benefits, or 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.

Weathertightness provision

Council recognises a provision for Council's estimated liability relating to the settlement of weathertightness claims.

The provision relates to claims made under the Weathertight Homes Resolution Services Act 2006, as well as civil proceedings directly against Council.

The provision calculation includes the estimated net settlement that Council is expected to make on:

- All claims that are currently actively managed by Council; and
- All claims that have been lodged with Weathertight Homes Resolution Service but are not yet actively managed by Council.

Equity

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; and
- Asset revaluation reserves.

Accumulated comprehensive revenue and expense is Council's accumulated surplus or deficit since the formation of 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 a 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.

Goods and services tax (GST)

All items in the Financial Statements are stated exclusive of GST, except for receivables and payables which are stated on a GST inclusive basis. Where GST is not recoverable as input tax then 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.

Operating statements included in the Statement of Service Performance

The operating statements report the net cost of services for significant activities of Council. Council has derived the net cost of services for each significant activity using the cost allocation system outlined below.

Direct costs are charged directly to significant activities. Indirect costs are charged to the significant activities based on cost drivers and related activity or usage information.

Each significant activity has been charged an internal interest cost. The net interest cost incurred by Council is allocated to each significant activity based on the net book value of property, plant and equipment used by the activity.

Critical accounting estimates, judgements and assumptions

In preparing these financial statements, Council management has made estimates, judgements and assumptions concerning the future that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures. These estimates and assumptions may differ from the subsequent actual results.

Estimates and judgements 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.

Infrastructural assets

There are a number of assumptions and estimates 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 Income. To minimise this risk Council's infrastructural asset useful lives have been determined with reference to the NZ 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, 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.

Provisions

Provisions were raised and management determined an estimate based on the information available. 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.

Provision for landfill aftercare costs

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 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.

Provision for weathertight homes

In determining the fair value of the provision, assumptions and estimates are made in relation to the expected value of the settlement based on the level of the original claim compared to historical settlement of similar claims. No evaluation has been undertaken to quantify the level of unreported claims.

The discount rate used is the current New Zealand Government long term bond rate as at 30 June each year, and the inflation rate used is the annual Consumer Price Index. The discount rate is based on Council's long term cost of funds. The inflation factor is based on the expected long term increase in remuneration for employees.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies:

Classification of property

Council owns a number of properties held to provide 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 Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

Depreciation and Amortisation Expense by Groups of Activities for the year ending 30 June

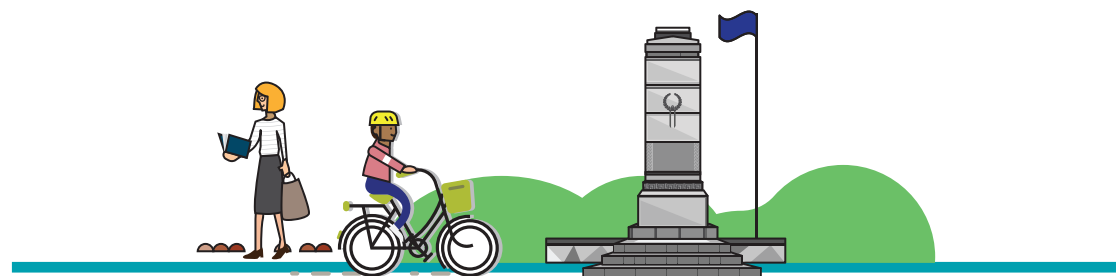
	Annual Plan 2020 \$000	Long Term Plan 2021 \$000	Annual Plan 2021 \$000
Leisure and Wellbeing	8,066	6,524	7,874
City Growth	224	3,972	890
Sustainability	1	2	33
Roading and Accessways	12,952	11,981	14,309
Water Supply	4,226	4,061	4,792
Wastewater	7,985	7,623	9,117
Stormwater	4,317	4,199	4,984
Solid Waste	984	1,119	1,051
Governance, Engagement and Organisation	1,786	1,638	1,391
Total	40,541	41,119	44,441

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. Surpluses held in reserves are credited with interest. Council holds 12 reserve funds, with five being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that Council may put the funds towards.

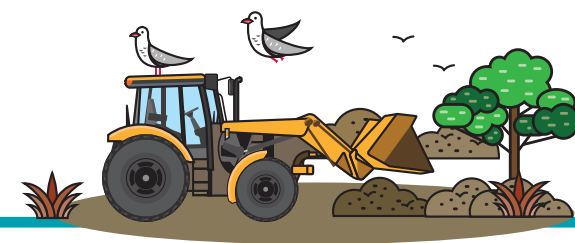
The remaining Council created reserves are discretionary reserves which Council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of Council's treasury management.

The next page 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.



	Opening Balance July 2020 \$000	Deposits \$000	Expenditure \$000	Closing Balance June 2040 \$000
Council Created Reserves – Purpose of the Fund				
Reserve Purchase & Development (Parks and Reserves Activity) 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.	9,221	18,992	(9,980)	18,233
Election Fund (City Leadership Activity) To annually provide for the cost of Council elections and by-elections.	150	-	-	150
Landfills Reserve (Solid Waste Activity) To set funds aside for the longer term replacement of the landfill. This figure has been capped at \$12 million.	12,000	-	-	12,000
Waste Minimisation Reserve 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 the recycling contract.	520	25	(545)	-
Wingate Landfill Reserve (Parks and Reserves Activity) 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.	182	40	-	222
Wingate Park (Parks and Reserves Activity) 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.	176	39	-	215
Ex Hillary Commission Funds (Integrated Community Services Activity) To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	8	-	(8)	-
Totals	22,257	19,096	(10,533)	30,820

	Opening Balance July 2020 \$000	Deposits \$000	Expenditure \$000	Closing Balance June 2040 \$000
Restricted Reserves – Purpose of the Fund				
Taita Cemetery - JV Bently (Parks and Reserves Activity) 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	1	-	4
Lavelle Tree Bequest (Parks and Reserves Activity) To provide for the planting of trees in and around Lower Hutt on major thoroughfares.	34	-	(34)	-
ML Talbut Bequest (Parks and Reserves Activity) To provide for the planting and maintenance of reserves.	14	-	(14)	-
Eastbourne Arts Trust (Integrated Community Services Activity) 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.	15	-	(15)	-
Totals	66	1	(63)	4



Prudence Reporting

The purpose of this statement is to disclose Council's planned financial performance in relation to various benchmarks to enable the assessment of whether the Council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

Council is required to include this statement in its Annual Plan 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.

Benchmarks 2020/2021	Benchmark	Planned	Met (Yes/No)
Rates Affordability Benchmark			
Proposed rates income	Quantified limit on rates = \$113,254,000	\$113,254,000	Yes
Proposed rates increase ¹	LGCI 2.8% plus 2% including 1% for growth	4.80%	Yes
Debt Affordability Benchmark			
Proposed debt limit percentage of revenue	Debt must not exceed 150% of revenue	129%	Yes
Balanced Budget Benchmark			
Revenue is more than expenditure	Revenue must be equal to or greater than 100% of expenditure	93%	No
Essential Services Benchmark			
For network services capital spend must be equal to or greater than depreciation	Capital spend must be equal to or greater than 100% of depreciation	152%	Yes
Debt Servicing Benchmark			
Percentage of interest expense to revenue	Borrowing costs (interest expense) must not exceed 10% of revenue	5%	Yes

Note: There is a risk of the assumed growth in the rating base not being achieved

Rates affordability benchmark

- (1) For this benchmark,—
 - (a) Council's planned rates income for the year is compared with a quantified limit on rates contained in the financial strategy included in Council's Long Term Plan; and
 - (b) Council's planned rates increases for the year is compared with a quantified limit on the rates increase for the year contained in the financial strategy included in Council's Long Term Plan.
- (2) Council meets the rates affordability benchmark if—
 - (a) Its planned rates income for the year equals or is less than each quantified limit on rates; and
 - (b) Its planned rates increases for the year equal or are less than each quantified limit on rates increases.

Debt affordability benchmark

- (1) For this benchmark, Council's planned borrowing is compared with a quantified limit on borrowing contained in the financial strategy included in Council's Long Term Plan.
- (2) Council meets the debt affordability benchmark if its planned borrowing is within each quantified limit on borrowing.

Balanced budget benchmark

- (1) For this benchmark, Council's planned revenue (excluding development contributions, vested assets, financial contributions, gains on derivative financial instruments, and revaluations of property, plant, or equipment) is presented as a proportion of its planned operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).
- (2) Council meets the balanced budget benchmark if its revenue equals or is greater than its operating expenses.

Essential services benchmark

- (1) For this benchmark, Council's planned capital expenditure on network services is presented as a proportion of expected depreciation on network services.
- (2) Council meets the essential services benchmark if its planned capital expenditure on network services equals or is greater than expected depreciation on network services.

Debt servicing benchmark

- (1) For this benchmark, Council's planned borrowing costs are presented as a proportion of planned revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment).
- (2) Because Statistics New Zealand projects that Council's population will grow as fast as, or faster than the national population growth rate, it meets the debt servicing benchmark if its planned borrowing costs equal or are less than 10% of its planned revenue.



Funding Impact Statements Including Rates for 2020-2021

This section includes full details of how rates are calculated. This statement should be read in conjunction with Council's Revenue and Financing Policy, which sets out Council's policies in respect of each source of funding of operating expenses.

Summary of funding mechanisms and indication of level of funds to be produced by each mechanism

The Whole of Council Funding Impact Statement sets out the sources of funding to be used for 2020 - 2021, the amount of funds expected to be produced from each source, and how the funds are to be applied. Details of user charges and other funding sources, and the proportion applicable to each activity, are included in Council's Revenue and Financing Policy.

Uniform annual general charge (UAGC)

Council has not set a UAGC for 2020/21.

Definition of Separately Used or Inhabited Part (SUIP)

For the purposes of any targeted rate set as a fixed amount per SUIP of a rating unit, a SUIP is defined as:

- any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.
- at a minimum, the land or premises intended to form the separately used or inhabited part of the rating unit must be capable of actual habitation, or actual use by persons for the purposes of conducting a business.

For the avoidance of doubt, a rating unit that has only one use (i.e. it does not have separate parts or is vacant land) is treated as being one SUIP of a rating unit.

Rates for year

For the 2020-2021 year, and for subsequent years, Council will set the following rates:

a) Water Supply Rate

A targeted rate will be set to meet the net operating costs of water supply and reticulation in the city. Lump sums will not be invited in respect of this rate. Council has set the targeted rate for water supply on the basis of the following factors:

- a charge per separately used or inhabited part of a rating unit which is connected to the water reticulation system and is not metered.
- a charge of 50% of the above charge per separately used or inhabited part of a rating unit that is not connected to, but is able to be connected to, the water reticulation system.
- a charge per rating unit which is connected to the water reticulation system and contains more than one separately used or inhabited part, where a water meter has been installed to measure the total water consumed.

Provided that:

- rating units situated within 100 metres from any part of the water reticulation network are considered to be able to be connected (i.e. serviceable).
- rating units that are not connected to the system, and that are not able to be connected, will not be liable for this rate.
- where the owner of a rating unit with more than one separately used or inhabited part has installed a water meter to measure the total water consumed, the owner will be liable to pay for water consumed as measured by the meter as set out in Council's Fees and Charges.

The charges for the 2020-2021 rating year are as follows:

Category	Charge
Connected and unmetered	\$489.00 per part
Serviceable but not connected	\$244.50 per part
Connected and metered	\$489.00 per rating unit

b) Wastewater Rate

A targeted rate will be set to meet the net operating costs of wastewater collection, treatment and disposal within the city. Lump sums will not be invited in respect of this rate.

Council will set the targeted rate for the wastewater function on the basis of the following factors:

- a charge or separately used or inhabited part of a rating unit for all rating units connected to the wastewater system.
- for rating units in business categories, an additional charge of 50% of the above charge for the second and each subsequent WC or urinal connected to the wastewater system.

Provided that:

- no charge is made to any rating unit not connected to the wastewater system.

The charges for the 2020-2021 rating year are as follows:

Category	Charge
Connected – SUIP	\$519.00 each
For commercial properties second and each subsequent WC or urinal per rating unit	\$259.50 each

c) Recycling Charge

A targeted rate will be set to meet 100% of the costs of the recycling collection service from residential properties. Lump sums will not be invited in respect of this rate.

The targeted rate will be set as a fixed amount per separately used or inhabited part (SUIP) of each rating unit in the Residential differential category.

The charge for the 2020-2021 rating year is as follows:

Category	Charge
Rating units in the Residential category	\$40.00

d) Jackson Street Programme Rate

A targeted rate, based on the capital value of each rating unit, will be set to raise revenue from rating units being operated as businesses and with a frontage to Jackson Street, Petone, between Hutt Road and Cuba Street. The revenue raised from this rate will be applied to meet the costs of the Jackson Street Programme, which is a community-based initiative to help reorganise and revitalise commercial activities in Jackson Street. Lump sums will not be invited in respect of this rate.

The charge for the 2020-2021 rating year is as follows:

Category	Charge
Rating units in any business category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street	0.0007130 cents per \$ of Capital Value

e) General Rate

A general rate will be set:

- to meet the costs of Council activities, other than those detailed above
- based on the Capital Value of each rating unit in the city
- on a differential basis, based on the use to which the land is put.

Property revaluation September 2019 effective 1 July 2020

The average increase in the capital value of properties across all sectors is tabled below:

Main Property Categories	Capital Value change
Residential	31.8%
Commercial	16.9%
Industrial	38.5%
Other	25.1%
Utilities	12.8%

The average increase in the capital values of properties in the residential sector is 31.8%. This is due to the high demand for residential properties throughout New Zealand. If you are a residential ratepayer and the property value of your property has gone up by more than the average of the city, then your proportion of the general rate will go up. If your property's value has increased by less than the average, then your proportion will go down. However it is important to remember that even if the capital value of your home

has increased by more than 32%, that doesn't mean your rates will go up by 32%. The amount you pay is relative to the total value of the city.

Differential rating details

Each rating unit is allocated to a differential rating category (based on land use and location) for the purpose of calculating the general rate and some targeted rates. Set out below are the definitions used to allocate rating units to categories, together with details of the differential rating relationships between each category of rating unit for the purposes of setting and assessing the general rate. The relationships are calculated to produce, as near as is practicable, the correct proportion of general rate revenue from each group, as indicated by Council's Revenue and Financing Policy, which was amended as part of the 2020/21 Annual Plan and introduced a new differential category for Queensgate Mall.

Definition of rating categories

Category	Description
Residential (RES)	All rating units in the city which are: <ul style="list-style-type: none"> used primarily for residential purposes, excluding properties categorised as rural; used or set aside for reserve or recreational purposes (other than East Harbour Regional Park).
Rural (RUR)	All rating units in the city which are: <ul style="list-style-type: none"> used primarily for residential purposes, having an area in excess of 3,000 m², but not connected to either water or sewerage reticulation; East Harbour Regional Park; not otherwise categorised in the Definition of Rating Categories table.
Business Accommodation (BUA)	All rating units in any part of the city which are used primarily for commercial accommodation.
Business Central (BUC)	All rating units which are located within the Central Area Parking District and which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as: <ul style="list-style-type: none"> Utility Networks; Business Accommodation; Business Queensgate.
Business Queensgate (BUQ)	All rating units within the boundary of Bloomfield Terrace, Knights Road, Bunny Street, Queens Drive and Waterloo Road, which are commonly known as Queensgate Mall.
Business Suburban (BUS)	All rating units in any part of the city which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as: <ul style="list-style-type: none"> Community Facilities; Business Central; Utility Networks; Business Accommodation; Business Queensgate.

Category	Description
Utility Networks (UTN)	All rating units which comprise all or part of a utility network.
Community Facilities 1 (CF1)	All land in the city which is: <ul style="list-style-type: none"> non-rateable in terms of the Local Government (Rating) Act 2002, Schedule 1, Part 1; 50% non-rateable in terms of the Local Government (Rating) Act 2002, Schedule 1, Part 2.
Community Facilities 2 (CF2)	All rating units in the city occupied by charitable trusts and not-for-profit organisations which either: <ul style="list-style-type: none"> use the land for non-trading purposes for the benefit of the community; would qualify as land which is 50% non-rateable in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 if the organisation did not have a liquor licence, but excluding any rating unit used for residential purposes.
Community Facilities 3 (CF3)	All rating units in the city occupied by not-for-profit community groups or organisations whose primary purpose is to address the needs of adult members for entertainment or social interaction, and which engage in recreational, sporting, welfare or community services as a secondary purpose.

For the purposes of these definitions:

- rating units which have no apparent land use (or where there is doubt as to the relevant use) will be placed in a category which best suits the activity area of the property under the District Plan;
- rating units which have more than one use (or where there is doubt as to the relevant primary use) will be placed in the category with the highest differential factor;
- Central Area Parking District is as defined in the District Plan – City of Lower Hutt.

For the avoidance of doubt, 'commercial purposes' includes rating units used:

- as a hotel, motel, inn, hostel or boarding house
- primarily as licensed premises
- as a camping ground
- as a convalescent home, nursing home, rest home or hospice operating for profit
- as a fire station
- by a government, quasi-government or local authority agency for administration or operational purposes
- as an establishment similar to any of the kinds referred to above, except to the extent that any such rating unit is non-rateable land in terms of the Local Government (Rating) Act 2002.

For the avoidance of doubt, Business Queensgate is based on location, rather than use.

A 'utility network' includes:

- a gas, petroleum or geothermal energy distribution system
- an electricity distribution system
- a telecommunications or radio communications system
- a wastewater, storm water or water supply reticulation system.

'Commercial accommodation' means the provision of accommodation for more than five persons (with or without any care, medical or other treatment or services) in the course of business, and to that extent includes:

- a hotel, motel, inn, hostel or boarding house
- any licensed premises where the provision of accommodation is the primary use
- a camping ground
- a convalescent home, nursing home, rest home or hospice operating for profit.

Subject to the right of objection set out in section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of Council to determine the use or primary use of any rating unit in the city.

Relationships of Differential Categories

The general rate payable on each category of property is expressed as a rate in the dollar of capital value.

The different rates in the dollar for different categories of property are determined as a result of the review described above. These different rates in the dollar for different property categories are known as "differential factors" and are agreed following the completion of step two of the process (which is designed to allow the Council to apply its judgement on the overall impact on the community).

Following a Revenue and Financing Policy review undertaken by Council in 2012, it determined the following differential factors for each category of property:

- Residential: 1.0
- Business: 2.3
- Business Central: 2.3
- Utility Networks: 2.3
- Rural: 0.8
- Community Facilities 1: 1.0
- Community Facilities 2: 0.5
- Community Facilities 3: 2.3

In 2012 Council commenced a 10 year shift in the differential to achieve these ratios.

The underlying objectives of the transition were to:

- Lower the allocation of rates to the rural sector to a level where the rural differential is equal to 0.8. This change has been made on the basis that rural properties often experience a lower level of service because of the longer distances between rural properties and Council facilities.
- Provide two special categories of community facilities and rate them at a lower differential to recognise the community benefits provided by such facilities. The two categories are Community Facilities 1 and Community Facilities 2 and are defined in the Funding Impact Statement, along with the differential to apply to each. A third category of Community Facilities is also defined but no adjustment has been made to the differential to be levied on this category.
- Standardise the differential for all other non-residential properties so that such properties are rated on the same basis.

For 2017-18, Council agreed to freeze the differential transition for one year and extend the transition period by a year, to reduce the rates impact on residential ratepayers caused by the significant increase in residential property values following the three yearly revaluation of properties (for rating purposes), in October 2016.

The differential policy was reviewed by Councillors during the preparation of the 2018-2028 Long Term Plan. Council decided to continue with the differential transition plan from 1 July 2018 so that from 1 July 2023 the business rate would be no more than 2.29 times (previously 2.3 times), greater than the rate of a residential property of the same value.

In the 2019 - 2020 Annual Plan the transition of differentials was:

Differential	2019/2020	2020/2021	2021/22	2022/23
Residential	1.00	1.00	1.00	1.00
Business Accommodation	2.51	2.44	2.37	2.29
Business Central	2.72	2.58	2.44	2.29
Business Suburban	2.63	2.52	2.41	2.29
Utility Networks	2.36	2.34	2.32	2.29
Rural	0.75	0.76	0.77	0.80

However, because of significant changes in the relative capital values in the 2019 rating valuation, the allocations of general rate based on the current policy would place an increased burden on residential properties. Based on the status quo the average Residential property would have an increase of \$167 per annum, while the average Business Central property would see a decrease of \$671 per annum. Therefore, Council

changed the differentials for 2020-2021. These changes include a new differential category for Queensgate Mall and are described in detail in the amended Revenue and Financing Policy. A full review of the Revenue and Financing Policy will be completed as part of the LTP 2021-2031 which will determine the future differentials to be applied. In the interim, for 2020-2021 Council will allocate the general rate using modified differentials to ensure the percentage of 2020/21 general rates collected from each of the categories used in 2019/20 is close to the same as the percentages of general rates collected in 2019/20. The general rate differentials based on capital values are:

The differential categories and charges for the 2020-2021 year are as follows:

Category	Differential	Charge per \$ of capital value
Residential (RES)	1.000	0.248141 cents
Rural (RUR)	0.747	0.185440 cents
Business Accommodation (BUA)	2.687	0.666680 cents
Business Central (BUC)	2.946	0.731013 cents
Business Queensgate (BUQ)	3.165	0.785422 cents
Business Suburban (BUS)	2.614	0.648668 cents
Utility Networks (UTN)	2.803	0.695423 cents
Community Facilities 1 (CF1)	1.028	0.255142 cents
Community Facilities 2 (CF2)	0.497	0.123423 cents
Community Facilities 3 (CF3)	2.344	0.581715 cents

Note: Differential factors for the 2021-22 and the 2022-23 years have been removed from this table and will be developed as part of the 2021-2031 LTP.

Summary of revenue required by differential group

Differential group	Total rates by category 2020-2021 \$000 gst inclusive	Proportion of total rates
Residential	96,204	71.5%
Rural	838	0.6%
Utility Networks	4,775	3.6%
Business:		
Accommodation	891	0.7%
Central	5,131	3.8%
Queensgate	1,907	1.4%
Suburban	23,358	17.3%
Community Facilities:		
1	1,056	0.8%
2	273	0.2%
3	152	0.1%
Total Rates Set	134,585	100%

Summary of total revenue required from 2020-2021 rates

Rate	Amount (inclusive of GST) \$000	Amount (exclusive of GST) \$000
General rate	90,458	78,659
Targeted rates:		
Water supply	19,919	17,321
Wastewater	22,511	19,575
Jackson Street	159	138
Recycling	1,538	1,337
Total rate revenue	134,585	117,030

Note: The total rate revenue includes rates charged on Council-owned properties, rate refunds and rate remissions.

Rates instalment details

The rates above are payable in six equal instalments on the following dates:

Instalment Number	Due Date
One	20 August 2020
Two	20 October 2020
Three	21 December 2020
Four	22 February 2021
Five	20 April 2021
Six	21 June 2021

Penalties on unpaid rates

Council resolves, pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, except as stated below,* that:

- A penalty of 10% will be added to the amount of any instalment remaining unpaid by the relevant due date above.
- A penalty of 10% will be added to the amount of any rates assessed in previous years remaining unpaid on 20 August 2020.
- A further penalty of 10% will be added to the amount of any rates to which a penalty has been added under b) above and which remain unpaid on 22 February 2021.

*No penalty shall be added to any rate account if:

- A direct debit authority is in place for payment of the rates by regular weekly, fortnightly or monthly instalments, and payment in full is made by the end of the rating year.
- Any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year.

Rating base

Based on the projected increase of 1% in the rating base each year, the following table shows the projected number of rating units in the city as at 30 June:

2020 (To May 2020)	Estimated 2021
42,260	42,364

Examples of rates on a range of typical properties

The examples below show how a range of properties are affected by the rates for 2020 – 2021. The rateable values as at 1 July 2020 are indicative of the values as they currently stand as at May 2020.

Property category	2019-2020 rates		2020 - 2021 rates		
	Rateable value as at 1 July 2019 \$	At current rates \$	Rateable value as at 1 July 2020 \$	Rates \$	Change amount \$
Average Residential	\$476,000	\$2,477	\$625,042	\$2,599	\$122
Average Business Central	\$1,380,448	\$13,074	\$1,690,799	\$13,628	\$554
Average Business Queensgate	\$250,000,000	\$2,176,112	\$240,000,000	\$1,906,376	(\$269,736)
Average Business Suburban	\$1,222,386	\$11,361	\$1,625,545	\$11,812	\$451
Average Business Accommodation	\$2,387,286	\$22,561	\$3,127,121	\$24,711	\$2,150
Average Rural (no services)	\$650,932	\$1,548	\$867,386	\$1,608	\$60



Property category	Rateable values as at 1 July 2020	Rates \$
Community Facilities 1	663,118	3,478
Community Facilities 2	1,396,351	4,548
Community Facilities 3	3,371,667	28,406
Utilities	2,630,700	18,294
Residential	400,000	2,041
Residential	600,000	2,537
Residential	800,000	3,033
Residential	1,000,000	3,529
Residential	1,200,000	4,026
Business Suburban	500,000	4,511
Business Suburban	900,000	7,106
Business Suburban	1,400,000	10,349



Fees and Charges for 2020-2021

The following is a consolidated list of Hutt City Council's fees and charges. All fees and charges include Goods and Services Tax (GST).

Animal Services

	2020-21	Cost Including Doggone Tag*
*Owners can opt to purchase the Doggone Tag		
Entire dog	\$150.00	\$183.00
Neutered	\$115.00	\$148.00
All dogs not registered by 3 August	\$200.00	\$233.00
Classified 'Dangerous'	\$165.00	\$198.00
Classified 'Dangerous' and not registered by 3 August	\$240.00	\$273.00
Responsible Dog Owner (RDO) status	\$75.00	\$108.00
Disability assist dogs	\$0.00	
Replacement registration tags	\$5.00	
Euthanasia at owner's request	\$50.00	
Dog disposal/surrender fee (plus sustenance fee below if required)	\$50.00	
Licence fee for keeping more than two dogs	\$65.00	
After hours collection fee	\$40.00	
Requested dog pick-up/delivery	\$65.00	
RDO property inspection	\$65.00	
Infringement fees set in the Dog Control Act 1996 apply		
Micro-chipping fee	\$35.00	
Boarding fee per day	\$25.00	
Impounding and Sustenance Fees (Registered Dogs)		
First impounding during year of registration	\$100.00	
Second impounding during year of registration	\$160.00	
Sustenance fee per dog per day	\$20.00	
Seizure fee	\$80.00	
Impounding and Sustenance Fees (Unregistered Dogs)		
First impounding during year of registration	\$120.00	
Second impounding during year of registration	\$200.00	
Sustenance fee per dog per day	\$20.00	
Seizure fee	\$120.00	

Archives

	2020-21
There is no charge for inspecting items.	
Search Fees for information on a topic, individual or property where Archive staff can identify the records by searching the finding aids	
First hour of research	Free of charge
Fee per additional half hour or part thereof	\$38.00
Research Fees for information on a topic, individual or property where Archive staff need to retrieve and research the records for any relevant information	
Fee per half hour or part thereof	\$38.00
Photocopy and Scanning Fees for A4 and A3	
Please note the following: Researchers can use their own camera. There is a separate charge for postage and for DVD-RW discs. Copying is subject to the physical condition, type of item and in some cases copyright legislation	
Photocopying and scanning A4, up to 20 pages	Free of charge
Photocopying A4 - after the first 20 pages	\$0.20 per page*
Scanning A4 - after the first 20 pages	\$0.10 per page*
Photocopying A3 - black and white, and colour	\$2.00 per page*
Scanning A3 - black and white, and colour	\$1.00 per page*
For scanning and photocopying items larger than A3 staff will inform you of the cost.	

*Fees to recover the cost of staff time may apply at \$38 per half hour.

Boat Sheds

	2020-21
Boat shed	Independent valuation on a square metre basis

Cemeteries

2020-21	
Plot Purchase and Maintenance In-perpetuity	
Child (1 to 12 years)	\$685.00
Infant (under 1 year)	\$150.00
Ashes	\$615.00
Ashes garden, Taita and Wainuiomata	\$995.00
Memorial tree plots, Block 18	\$1,000.00
Ponga trail, Block 19	\$800.00
Interment Fees	
Adult	\$835.00
Child (1 to 12 years)	\$540.00
Infant (under 1 year)	\$150.00
Ashes	\$110.00
RSA Section	
Burial plot purchase	Free of charge
Burial interment fee	\$835.00
Ashes plot purchase	Free of charge
Ashes interment fee	\$110.00
Ashes interment (memorial wall)	\$110.00
Disinterments	
Burial (body) ¹	\$2,100.00
Ashes ¹	\$210.00
Re-interments	
To be charged as for interment fees	
Special Fees and Charges	
Outside district fees ²	\$1,115.00
Outside district fee - children under 12 ²	\$980.00
Outside district fee - RSA ²	\$1,115.00
Outside district fee - ashes ²	\$800.00
Casket larger than standard	\$250.00
Extra depth (90 centimetres)	\$200.00
Weekend interment - casket	\$430.00
Weekend interment - ashes	\$210.00
Plaque/memorial fees	\$80.00
Plot cancellation fee	\$55.00
Transfer of exclusive right	\$55.00
Breaking of concrete	Actual Cost
Search fee: per entry (up to 30 minutes)	\$25.00

1 These figures are indicative only and the actual cost may differ depending on the nature of the disinterment.

2 Applies to all plot purchases where deceased has lived outside the city for the last five or more years. Reimbursement for unused plots is calculated at the rates originally paid for the plots.

Encroachment on Hutt City Council Land

2020-21	
Application fee (new applications)	\$300.00
Application fee (alterations to existing use)	\$300.00
Change to current licence holder	\$100.00
Gardens ¹	\$115.00pa
Garage (per car park) ¹	\$128.00pa
Drainage reserve ¹	\$57.50pa
Pavement ¹	\$57.50pa
Commercial	Assessed by Council at a market rate

¹ Council is currently reviewing its Encroachment Policy, including the annual licence fees. The fees noted above for Gardens, Garage (per car park), Drainage reserve and Pavement are the current fees. Council reserves the right to alter the licence scope and fee in line with any future Encroachment Policy adopted by Council.

Engineering Records and Land Information Services

Print Size	2020-21	
	80 GSM Jetbond	95 GSM Coated
A0	\$5.00	\$8.50
A1	\$2.50	\$4.25
A2	\$1.25	\$2.15
A3	\$1.00	\$1.05
A4	\$0.50	\$0.50
GIS Specialist's time (per hour)	\$70.00	

Environmental Consents

Resource Consents

All fees include GST and are payable under section 36 of the Resource Management Act (RMA) 1991.

Additional charges may apply (see below). Application fees cover the cost of processing your application only. Consultants' fees and costs of disbursements will also be additionally charged and invoiced when consent is completed.

After you start building, there may be charges to cover Council's monitoring costs; such as site visits, research, photos, communications and administration.

If your application is rejected, withdrawn or cancelled, a refund may be given based on the amount of time already spent on it.

Non-Complying, Discretionary, Restricted Discretionary, Controlled		2020-21
Pre-application meetings	First hour free - Additional staff time charged at \$170 per hour. Consultants' actual time charged	
Notified application - hearing required (includes up to 50 hours of processing and administration, and one hour of monitoring) If application is required to be notified in a daily newspaper, an additional fee of \$1,000.00 is required		\$8,415.00
Notified application - no hearing required (includes up to 30 hours of processing and administration, and one hour of monitoring)		\$5,115.00
Limited notification (includes up to 35 hours of processing and administration, and one hour of monitoring)		\$5,940.00
Non-notified resource consent (includes up to seven hours of processing and administration, and one hour of monitoring)		\$1,320.00
Non-notified resource consent - residential additions and alterations (includes up to five hours of processing and administration, and one hour of monitoring)		\$990.00
All additional processing, administration and monitoring (per hour)		\$170.00
Hearing Commissioner time to be recovered from applicants for time spent in hearings and deliberating (per hour)	Council Commissioners: Chair \$105.00 Members \$85.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - Actual cost	

Non-Complying, Discretionary, Restricted Discretionary, Controlled		2020-21
Fast Track - non-notified consents only - issued within 10 days (conditions apply, applications will be accepted on a case-by-case basis)		Two times normal fee (payment of twice normal initial fee at receipt of application: \$330.00 per hour of additional processing time will be charged)
Fast Track - non-notified consents only - issued within five days (conditions apply, applications will be accepted on a case-by-case basis)		Three times normal fee (payment of three times normal initial fee at receipt of application: \$495.00 per hour of additional processing time will be charged)
Boundary deemed permitted activities (includes up to 3 hours of processing and administration)		\$495.00
Marginal or temporary activity exemptions (includes up to 3 hours of processing and administration)		\$495.00

Subdivisions (Including Unit Title, Cross Lease)		2020-21
Pre-application meetings	First hour free - additional staff time charged at \$170 per hour. Consultants' actual time charged	
Notified application – hearing required (includes up to 52 hours of processing and administration, and one hour of monitoring) If application is required to be notified in a daily newspaper, an additional fee of \$1,000.00 is required		\$8,745.00
Notified application – no hearing required (includes up to 37 hours of processing and administration, and one hour of monitoring)		\$6,270.00
Limited notification (includes up to 32 hours of processing and administration, and one hour of monitoring)		\$5,445.00
Subdivision consent including land use consent (includes up to 14 hours of processing and administration, and one hour of monitoring)		\$2,475.00
Subdivision consent including certificate under section 223 of the RMA (includes up to 12 hours of processing and administration, and one hour of monitoring)		\$2,145.00
All additional processing, administration and monitoring (per hour)		\$170.00
Certificate under section 224 of the RMA (includes up to four hours of processing)		\$660.00
Certificate under section 226 of the RMA (includes up to six hours of processing)		\$990.00

Subdivisions (Including Unit Title, Cross Lease)	2020-21
Section 241 and 243 RMA application (includes up to six hours of processing)	\$990.00
Rights of way (includes six hours of processing)	\$990.00
Rights of way sealing fee (includes up to two hours of processing)	\$330.00
Hearing Commissioner time to be recovered from applicants for time spent in hearings and deliberating (per hour)	Council Commissioners: Chair \$105.00 Members \$85.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - Actual cost

Other Fees	2020-21
Sec 139A Existing Use Certificate application (includes up to six hours of processing)	\$990.00
Certificate of Compliance (includes up to six hours of processing)	\$990.00
Outline Plan or waiver (includes up to six hours of processing and one monitoring inspection)	\$1,155.00
Section 10 waiver, section 37 waiver, section 125 extension, section 126 cancellation, sections 127 & 128 review (non-notified) RMA (includes up to six hours of processing)	\$990.00
Certificate of Use under the Sale and Supply of Alcohol Act 2012	\$330.00
Any special inspections (per hour)	\$170.00
Sealing fee (for urgent applications for registrable instruments)	\$165.00
Certificate under Overseas Investment Act 1973	\$495.00
Cost of disbursements, i.e. venue hire, photocopying, catering, postage, public notification	Actual cost
Independent consultants, advisors, specialists	Actual cost
All consents and certificates additional processing hours (per hour)	\$170.00
Discharge or withdrawal of registrable instruments – legal costs plus officers' time (per hour)	\$170.00
Processing request for removal of building line (includes up to one hour of processing time)	\$170.00 (additional time will be charged at \$170.00 per hour, disbursements will be charged at actual cost)
Approval, variation or revocation of easements – legal costs plus officers' time (per hour)	\$170.00
Bond preparation and/or release (includes two hours of processing time)	\$330.00 (additional time will be charged at \$170.00 per hour, disbursements will be charged at actual cost)

Environmental Sustainability Initiatives	2020-21	
Eco Design Advisor home visit (two hours)	Free of charge	
Domestic solar hot water heating panels	Free of charge for up to five hours of initial processing and one monitoring inspection, after which standard charges for the category of consent will apply	
Solar water heating systems		
Hot water systems, i.e. wetbacks associated with wood pellet stoves or low emission wood burners		
Hot water heat pump systems		
Solar photo-voltaic systems		
Double glazing retrofits on buildings pre-2000		
Rainwater tanks		
Demolition of chimney		
Home Star certified assessment		\$1,500.00 for up to 8 hours processing then \$170.00 per hour
All additional monitoring inspections		\$170.00 per hour

Resource Consent Terms and Late Payment

Initial and Additional Fees

Fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced if additional time is spent processing requests and/or disbursements.

Terms of Payment

Payment of additional fees is due by the 20th of the month following invoice processing.

Late payment will incur:

- an additional administrative fee (lesser of 10% of the overdue amount or \$300.00).
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Building Consents

All fees include GST and if your application is withdrawn or cancelled, a refund may be given based on the amount of time already spent on it. Additional charges may apply.

Please note that the fees listed below are initial fees only. They include administration time, processing time and a specified number of inspections. They do not include any additional administration, processing or inspections, disbursements, consultant fees, Building Research Association of NZ (BRANZ) and Ministry of Business, Innovation and Employment (MBIE) levies.

The BRANZ levy is \$1.00 per \$1,000.00 for works \$20,000.00 and over, and MBIE levy is \$1.75 per \$1,000.00 for works \$20,444.00 and over. You will be notified of these additional fees after the process has been completed.

BCA Accreditation Levy: \$25 for works \$20,000.00 and over.

Total BC Value of Work	2020-21 BC
Pre-application meetings	First hour free - additional time charged at \$170.00 per hour
Free standing and inbuilt fire (includes 1.5 hours processing and administration)	\$412.50 1 inspection visit
Fast Track – five days	
Minor works (minor drainage) (includes 2 hours processing and administration)	\$495.00 1 inspection visit
Standard garages (includes up to 2.25 hours processing and administration)	\$701.25 2 inspection visits
Fast Track - five days	
< \$5,000 (includes up to 2.75 hours processing and administration)	\$783.75 2 inspection visits
To \$10,000 (includes up to 5 hours processing and administration)	\$1,155.00 2 inspection visits
To \$19,999 (includes up to 5.5 hours processing and administration)	\$1,402.50 3 inspection visits
To \$50,000 (includes up to 7 hours processing and administration)	\$1,815.00 4 inspection visits
To \$100,000 (includes up to 8 hours processing and administration)	\$2,145.00 5 inspection visits
To \$200,000 (includes up to 10 hours processing and administration)	\$2,640.00 6 inspection visits
To \$300,000 (includes up to 11 hours processing and administration)	\$2,970.00 7 inspection visits

Total BC Value of Work	2020-21 BC
To \$500,000 (includes up to 12 hours processing and administration)	\$3,300.00 8 inspection visits
To \$1,000,000 (includes up to 14 hours processing and administration)	\$3,630.00 8 inspection visits
Over \$1,000,000 (includes up to 16 hours processing and administration)	\$3,960.00 8 inspection visits
Fast Track - processed within 10 working days (conditions apply, applications will be accepted on a case-by-case basis)	Two times application fee (additional time will be charged at \$330.00 per hour)
Fast Track - processed within 5 working days (conditions apply, applications will be accepted on a case-by-case basis)	Three times application fee (additional time will be charged at \$495.00 per hour)
Building consent for demolition of chimney	Free of charge
Building consent for pool fence (includes up to one hour processing and administration)	\$330.00 1 inspection visit
Extension of time	\$245.00
Owner supplied information	\$170.00
Schedule 1 exemption - minor works including exemption for blown insulation (includes two hours of processing time)	\$330.00 (additional time will be charged at \$170.00 per hour)
Schedule 1 exemption - all others (includes four hours of processing time)	\$660.00 (additional time will be charged at \$170.00 per hour)
Notice to fix	\$170.00

Other Fees	2020-21
Restricted Building Work (for works \$20,000.00 and over)	\$80.00
BCA Accreditation Levy (for works \$20,000.00 and over)	\$25.00
Code Compliance Certificate processing fee (for works \$20,000.00 and over)	\$165.00
All additional processing and administration (per hour)	\$170.00
All additional inspection visits (per visit)	\$165.00
Amendment to building consent including B2 durability modification	\$165.00 (additional time will be charged at \$170.00 per hour)
PIM (includes three hours processing)	\$495.00 (additional time will be charged at \$170.00 per hour)

Other Fees	2020-21
Approved Building Consent	
Your approved consent will be sent electronically unless you state otherwise. A fee will apply if a hardcopy is requested.	
Minor Works Consent (hardcopy)	\$80.00
Residential Consent (hardcopy)	\$165.00
Commercial Consent (hardcopy)	\$170.00 (for the first hour + \$170.00 per hour or part, thereafter)
Section 72 - building on land subject to natural hazards	Actual cost + \$170.00
Section 75 - building on two or more allotments	Actual cost + \$170.00
Vehicle crossing construction	Actual cost + \$170.00
Structural checking fee	Actual cost + \$170.00
Water connection/alteration	Actual cost + \$170.00
Hard copy lodgement fee; excludes freestanding and inbuilt fires.	\$50.00
Vetting: further information requests	\$100.00 per further information request letter
Sewer/stormwater connection/disconnection	Actual cost to approved contractors
Stormwater TV survey	Actual cost to approved contractors
List of building consents – monthly (received or granted)	Available free on our website
Service Connection Application Fees	
Wastewater	\$100.00
Stormwater	\$100.00
Water	\$100.00
Certificate for Public Use	\$330.00 (additional time will be charged at \$170.00 per hour)
Certificate of Acceptance	
Works under \$100,000.00	\$900.00 + BC fee + levies for MBIE Additional processing time will be charged at the end of the process
Works \$100,000.00 and over	\$2,600.00 + BC fee + levies for MBIE Additional processing time will be charged at the end of the process

Other Fees	2020-21
Compliance Schedule (CS)/Building Warrant of Fitness (BWF)	
BWOF registration-1-2 specified system	\$85.00 (first ½ hour) \$170.00 per hour thereafter
BWOF-registration-3-8 specified systems	\$170.00 (first hour) then \$170.00 per hour thereafter
BWOF registration-9 or more specified systems	\$250.00 (first 1 ½ hour) then \$170.00 per hour thereafter
BWOF/CS audit	\$170.00 per hour
Amendment to CS	\$170.00 (first hour) (additional time will be charged at \$170.00 per hour)
Notice to fix	\$170.00 (additional time will be charged at \$170.00 per hour)
Commercial cable car	\$160.00
Residential cable car	Free of charge
Earthquake Prone Buildings	
Extension of time	\$170.00 (additional time will be charged at \$170.00 per hour)
Exemption	\$170.00 (additional time will be charged at \$170.00 per hour)
Residential Pools	
Pool audit inspection	\$135.00
Pool re-inspection (1 to 3 items)	\$75.00
Pool re-inspection (4 to 6 items)	\$105.00
Pool re-inspection (7 or more items)	\$135.00
Pools-receipt of IQPI report	\$85.00 (additional time will be charged at \$170.00 per hour)
Notice to fix	\$170.00 (additional time will be charged at \$170.00 per hour)

Building Consent Terms and Late Payment

Initial Fees and Additional Fees

Initial fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of Payment

Payment of additional consenting, administration, disbursements and consultants fees shall be paid before application is issued. Additional inspection fees shall be paid before Code Compliance Certificate is issued.

Late payment will incur:

- an additional administrative fee (lesser of 10% of the overdue amount or \$300.00).
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Pools Late Payment

If payment is not received by the 20th of the month following the date of the invoice, the following will apply:

- an additional administrative fee (lesser of 10% of the overdue amount or \$300.00).
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Building Warrant of Fitness Terms and Late Payment

Registration fees must be paid between the Building Warrant of Fitness renewal date and the 20th of the following month.

If payment is not received by the 20th of the month following the renewal date of your Building Warrant of Fitness, the following will apply:

- an additional administrative fee (lesser of 10% of the overdue amount or \$320.00).
- All costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Building Warrants of Fitness Inspections Terms and Late Payment

Terms of Payment

Payment to be made before the 20th of the following month.

Late Payment

If payment is not received by the 20th of the month following, the following will apply:

- an additional administrative fee (lesser of 10% of the overdue amount or \$310.00).
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Development and Financial Contributions

Development and financial contributions are payable in relation to the subdivision and development of land. The amounts payable are described in Council's Policy on Development and Financial Contributions.

Building Information

	2020-21
Approved Building Permit and Building Consent Information	Available free on our website
Request for Building information sent by email	First 30mins free Additional time charged at \$87.50 per half hour
Request for Building information hardcopy	\$1.00 per A4 \$2.00 per A3
Plumbing and Drainage Plan	Available free on our website
Aerial photography	Available free on our website
A4 colour aerial photo	\$1.00
A3 colour aerial photo	\$1.00
Certificate of Title	\$20.00
Interests/document, e.g. transfer, easement, covenant, lease	\$20.00

Land Information Memorandum (LIM)

All fees include GST and if your application is withdrawn a refund may be given based on the amount of time already spent processing the LIM. Costs of disbursements, where applicable, will also be additionally charged and invoiced when LIM is completed.

	2020-21
Residential Property LIM	\$370.00
Commercial property LIM (deposit – includes 5.5 hours processing time)	\$600.00
Additional processing hours (per hour)	\$110.00
Fast Track - processed within five working days (conditions apply, applications will be accepted on a case-by-case basis)	\$500.00
Completed LIM	
Your LIM will be sent electronically unless you state otherwise. A fee will apply if a hardcopy is requested	
Residential LIM (hardcopy)	\$60.00
Commercial LIM (hardcopy)	\$60.00
	(for the first 30 minutes + \$170.00 per hour or part, thereafter)

LIMS/Property Information Terms and Late Payment

Initial Fees and Additional Fees

Fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of Payment

Payment of additional processing, administration and disbursements shall be made before the application is issued.

Late payment will incur:

- an additional administrative fee (10% of the overdue amount).
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Environmental Health

Food Act 2014 Registration	2020-21 Fee
Application for registration of Food Control Plan (FCP) based on a template or model issued by MPI	\$330.00 (includes two hours of processing of application) \$170.00 per hour for every extra hour of registration activities
Application for registration of a business subject to a plan or model for National Programmes	\$330.00 (includes two hours of processing of application) \$170.00 per hour for every extra hour of registration activities
Application for renewal of registration	\$170.00 (includes two hours of processing of application) \$170.00 per hour for every extra hour of registration activities
Application for amendment to registration	\$170.00 (includes one hour of processing of application) \$170.00 per hour for every extra hour of processing the application
Significant amendment to Food Control Plan	\$170.00 (includes one hour of processing of application) \$170.00 per hour for every extra hour of processing the application

Food Act 2014 Verification	2020-21	
	Fee	
Verification of a Food Control Plan (FCP) based on a template or model issued by MPI	\$170.00 per hour for all verification activities, including travel time	
Verification of a plan or model for National Programme Three (NP3)	\$170.00 per hour for all verification activities, including travel time	
Verification of a plan or model for National Programme Two or One (NP2 or NP1)	\$170.00 per hour for all verification activities, including travel time	
Cancellation of a verification within 3 days without acceptable reason	\$165.00	
Unable to verify a FCP or NP at the scheduled time, or cannot carry out the verification due to the absence of key personnel, or the food control plan or records are not available	\$170.00 in addition to any time spent, at \$170.00 per hour	

Food Act 2014 Compliance	2020-21	
	Fee	Timing of Payment
Issue of Improvement Notice or Notice of Direction	\$170.00 per hour of activity	Payable on invoice
Application for review of issue of Improvement Notice or Notice of Direction	\$170.00 per hour of activity	\$170.00 payable on application Remainder payable on invoice
All other services and compliance/monitoring activities for which a fee may be set under the Food Act. This includes follow up visits to closeout corrective actions, review of (successful) appeals/submissions to verification outcomes, surrender, suspension and revocation of registration	\$170.00 per hour of activity	Payable on invoice

Other Licences	2020-21	
	Fee	
Travelling shops – no food	\$165.00	
Hairdressers	\$235.00	
Camping grounds	\$305.00	
Hawkers	\$165.00	
Permanent amusement devices	\$165.00	
Mortuaries	\$235.00	
Offensive trades	\$235.00	
Proposed Appearance Industries Bylaw 2020		
If the proposed Appearance Industries Bylaw 2020 is adopted by Council, the following fees are proposed:		
A registration fee of \$245.00 (which includes up to one hour of inspection, administration and travel time) for an Appearance Industry application		
A registration fee of \$330.00 (which includes up to one and a half hours of inspection, administration and travel time) for a combined Hairdresser/Appearance Industry application		
A fee of \$170.00 per hour for additional time for registration/inspection and investigation of justified complaints under the Appearance Industries Bylaw		

Additional Charges	2020-21
FCP template and record blanks (photocopied and bound)	\$30.00
Replacement diary (photocopied and bound)	\$30.00
NP guidance and record blanks (photocopied and bound)	\$30.00
Thermometer	\$30.00
Change of ownership (non-food premises)	\$165.00
General administration fee	\$170.00 per hour
Hard copy application fee where no on-line/electronic option is available	\$80.00

Noise Control	2020-21
Seizure fee (stereo equipment)	\$180.00 and \$1.00 per day after the 1st month of storage \$300.00 for any subsequent seizures from a property or equipment within a six month period and \$1.00 per day after the 1st month of storage
Security alarms – daytime attendances	Time cost charge
Security alarms – after hours attendances	Time cost charge
Consultancy and survey fee	\$170.00 per hour

Alcohol Licensing – (Set by Bylaw 2019)	01/01/2020	01/01/2021	01/01/2022
Special Licences – application fees			
Class 1	\$747.50	\$920.00	\$1,092.50
Class 2	\$269.10	\$331.20	\$393.30
Class 3	\$82.20	\$101.20	\$120.15
Risk Category – application fees			
Very Low	\$478.40	\$588.80	\$699.20
Low	\$792.35	\$975.20	\$1,158.05
Medium	\$1,061.45	\$1,306.40	\$1,551.35
High	\$1,330.55	\$1,637.60	\$1,944.65
Very High	\$1,569.75	\$1,932.00	\$2,294.25
Risk Category – annual fees			
Very Low	\$209.30	\$257.60	\$305.90
Low	\$508.30	\$625.60	\$742.90
Medium	\$822.25	\$1,012.00	\$1,201.75
High	\$1,345.50	\$1,656.00	\$1,966.50
Very High	\$1,868.75	\$2,300.00	\$2,731.25
Temporary Authority	\$385.70	\$474.70	\$563.75
Managers' Certificates/Renewals (No change to fees set by regulation)	\$316.25	\$316.25	\$316.25

Additional Charges	2020-21
Public notice advertisement	\$140.00

Gambling Venue and Board Venue	2020-21
Class 4 Gambling Venue and Board Venue applications	\$330.00 (includes two hours of processing time) \$170.00 per hour for every extra hour of processing the application

Environmental Health Terms and Late Payment

Initial Fees and Additional Fees

Initial fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of Payment

Payment of additional fees for work shall be paid by due date.

Late payment will incur:

- an additional administrative fee (lesser of 10% of the overdue amount or \$300.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.



Environmental Policy

2020-21	
	Fee
Requests for Change to District Plan (deposit)	\$5,111.00
All actual costs related to the proposed plan change, including Council officers' time, will be borne by the applicant as follows:	
<ul style="list-style-type: none"> All work undertaken by Council officers in connection with the request for the change shall be charged against the deposit at: 	\$170.00 per hour
<ul style="list-style-type: none"> All work undertaken by independent consultants, advisors and/or specialists in connection with the request for the change shall be charged at the actual costs plus disbursements against the deposit 	
<ul style="list-style-type: none"> Any hearing shall be charged against the deposit at: 	\$1,022.00 per day or part day
<ul style="list-style-type: none"> Hearing Commissioner time shall be recovered for time spent in hearings and deliberating (per hour) 	Council Commissioners: Chair \$105.00 Members \$85.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - Actual cost
<ul style="list-style-type: none"> If the proposed change is notified publicly, advertising charges will be actual costs payable by the applicant 	
<ul style="list-style-type: none"> All information requested by Council shall be supplied at the applicant's cost 	
Notice of Requirement and Alterations to Notices of Requirement (deposit)	\$5,111.00
All actual costs related to the requirement, including Council officers' time, will be borne by the Requiring Authority as follows:	
<ul style="list-style-type: none"> All work undertaken by Council officers in connection with the requirement shall be charged against the deposit at: 	\$170.00 per hour
<ul style="list-style-type: none"> All work undertaken by independent consultants, advisors and/or specialists in connection with the requirement shall be charged at the actual costs plus disbursements against the deposit 	
<ul style="list-style-type: none"> Any hearing shall be charged against the deposit at: 	\$1,022.00 per day or part day
<ul style="list-style-type: none"> Hearing Commissioner time shall be recovered for time spent in hearings and deliberating (per hour) 	Council Commissioners: Chair \$105.00 Members \$85.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - Actual cost
<ul style="list-style-type: none"> If the requirement is notified publicly, advertising charges will be actual costs payable by the Requiring Authority 	
<ul style="list-style-type: none"> All information requested by Council shall be supplied at the Requiring Authority's cost 	

2020-21	
	Fee
Operative District Plan	
Electronic Copy	The official, legal version of the District Plan is available online for viewing or printing free of charge
Complete, hard copy printout in folders, provided by Council	\$500.00
Text volume in folder	\$250.00
A3 map volume in folder	\$250.00

Landfills (All charges include Government waste and emissions levies)

2020-21	
	Fee
Domestic Vehicles (cash only)	
Cars and station wagons	\$15.00
Vans, utilities, SUV (four-wheel drives), small trailers (Maximum refuse dimensions: 2.5 metres long, one metre high, 1.5 metres wide) Note: Combinations of vehicles (vans, utilities, small trucks and trailers) will cost the sum of their respective charges	\$35.00
All Other Vehicles (per tonne)	
Minimum charge	\$126.50
Special Wastes	
Minimum charge	\$165.00
Potentially Hazardous Wastes	
By negotiation - refer to the 'Hutt City Landfill - Waste Disposal Guide'	
Car Bodies (per tonne)	
	\$120.00
Tyres	
Disposal of more than four tyres (per tonne) regardless of vehicle type	\$320.00
Minimum charge	\$160.00
Polystyrene (per tonne) - small quantities only	
Minimum charge	\$320.00
Minimum charge	\$160.00

Refuse Bags Including Government Levy		2020-21
Plastic bags – packet of 5		\$13.75
Plastic bags – packet of 10		\$27.50
Plastic bags – packet of 50		\$137.50

Libraries

		2020-21
Interloans (non-urgent) per request		\$15.00
Interloans (urgent)		At cost
Lost/damaged items	Cost of the item at time of purchase by Hutt City Libraries	
Rental collections	Vary according to format	
Overdue charges	\$0.50 per day to a maximum of \$10.00 per item No overdue charge for Children's and Teens' collection items	
Borrower's card replacement (per card)		\$5.00
Internet access and computer use	First 2 hours free with a library card each day, then \$1.00 per half hour after that	

Littering Infringement Fees

		2020-21
Minor littering	Infringement fee	\$100.00

Minor littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier/ or owner: cigarette butts, wrappers/paper, chewing gum, small food waste, take-away food/drink containers, fish & chip papers, plastic drink bottle(s), and aluminium can(s) or a single bag of refuse.

		2020-21
Medium littering	Infringement fee	\$200.00

Medium littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier/or owner: single use disposable nappy or nappies; sanitary pads; medium dumping (eg shopping bags) – domestic/commercial waste in, or by, public litter bins; medium dumping in or by commercial waste bins/clothing bins/recycling stations, use of unofficial (non-Council) refuse bags, and small amount of discard due to an insecure load from truck or trailer.

Note: Medium dumping is defined as up to four shopping bags or two refuse bags or large items. A small amount of discard is defined as items such as paper, a single small item, grass clippings and dust that have come off a truck or trailer. Nappies and sanitary pads are classed as medium due to their health risk.

		2020-21
Major littering	Infringement fee	\$400.00

Major littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier: any volume of waste; household waste; green waste; car parts; multiple rubbish bags and any other litter as defined in the Litter Act 1979 not defined as minor or medium littering above.

Note: Major dumping is defined as four or more refuse bags or multiple large items, items that pose a serious health risk and piles of rubbish covering an area over 1.5m squared. The Litter Act 1979 defines the depositing of glass or glass bottles (or broken glass or bottles) as a dangerous form of litter and thus it is considered by Council as a major littering offence. The decision whether to issue an infringement notice for major littering or to refer the matter to the District Court will be determined on a case-by-case basis, based on the severity and malicious intent of the alleged offence.

Official Information

		2020-21
The following charges shall apply for requests made under the Local Government Official Information and Meetings Act 1987 (the 'Act'):		
a) If the request is made by an identifiable natural person seeking access to any personal information about that person, such requests are subject to the Privacy Act 1993 and these charges do not apply.		
b) If the aggregate amount of staff time spent in actioning a request exceeds one hour, the basis of charging (except for the issue of a LIM under section 44A of the Act) is as follows:		
• charge per additional half hour or part thereof including search, retrieval, provision of information and supervision		\$38.00
c) Photocopying on standard A4 where the total number of pages exceeds 20 (the first 20 pages will be free).		\$0.20 per page
d) All other charges incurred shall be fixed at an amount that recovers the actual costs involved. This will include:		
• producing a document by computer or other like equipment		
• reproducing a photograph, film, video or audio recording		
• arranging for the applicant to hear or view an audio or visual recording		

2020-21	
<ul style="list-style-type: none"> providing a copy of any map, plan or other document larger than A4, retrieval of information off-site, or any situation in which a direct charge is incurred by Council in providing the information 	
<ul style="list-style-type: none"> where repeated requests are made from the same source in respect of a common subject in any eight week period, requests after the first will be aggregated for charging purposes. 	
e) A charge may be modified or waived at the discretion of a Director where payment might cause the applicant financial hardship, or where remission or reduction of the charge would facilitate good relations with the public, or assist the section, group or organisation in its work.	
f) The charge may not include any allowance for:	
<ul style="list-style-type: none"> information that is not where it ought to be time spent deciding whether or not access should be allowed and in what form (note that the actual physical editing of protected information is chargeable) 	
g) Charges shall be paid in advance of receipt of information	

Parking

Council operates Pay & Display metered parking in the CBD of Lower Hutt. It is also possible to pay for parking using the parking payment app, PayMyPark; cars that have paid using PayMyPark do not display a ticket from the meter (the warden checks whether there is a current payment against the vehicle's registration), however, the parking charges and rules remain the same.

The metered area is generally from Market Grove at the southern end of the CBD to Downer Street at the northern end, bounded by Cornwall Street and the Riverbank car park.

Meter charges are structured into three tariff tiers HC2 to HC4.

A small number of P15, P30 and P60 spaces are provided, free of charge, throughout the metered area for additional public convenience.

Mobility car parks are provided throughout the CBD, at the prevailing metered tariff.

Saturday parking is free from fees within the CBD. Time restrictions (P120) apply on Saturday to the Green HC2 parking zone.

Sunday parking – no fee or time restrictions apply on Sunday.

Hours of Meter Operation

Pay and Display parking meters operate for the following hours: 9am to 5pm Monday to Friday.

Tariff Structure

2020-21	
Shoppers (Green HC2) Zone	\$1.50 per hour Two hour maximum parking duration Monday to Friday 9am to 5pm Saturday P120 (no charge) Sunday and public holidays unrestricted
Commuter (Yellow HC3) Zone	\$1.00 per hour \$6.00 maximum daily charge No daily maximum parking duration Monday to Friday 9am to 5pm Saturday, Sunday and public holidays unrestricted
Commuter (Orange HC4) Zone	Monday to Friday 9am to 5pm \$0.70 cents per hour \$4.00 maximum daily charge Saturday, Sunday and public holidays unrestricted No daily maximum parking duration
Riverbank car park (Light Blue) Zone	Monday to Friday 9am to 5pm \$0.70 cents per hour \$4.00 maximum daily charge Saturday 7am to 2pm \$2.00 per hour \$4.00 maximum daily charge Sunday and public holidays unrestricted A monthly pass is available at \$62.00 per month (reduced to \$46.00 for December and January) No daily maximum parking duration

Other Charges

Council Pay & Display machines support alternative payments from mobile telephone, text or credit cards/Pay Wave when the network permits. A \$0.50 per transaction fee applies.

Council supports the use of SmartPark in-car meters for on-street areas where parking fees apply.

Council allows customers to pay through the PayMyPark smart phone app. If a customer pays for parking without an account (on a 'casual' basis) a \$0.50 per transaction fee applies. If a customer creates and tops up a PayMyPark account, transaction fees apply only for the top-up transaction.

Reserved spaces - \$15.00 per day for short-term applications are available from Parking Enforcement.

Construction and temporary traffic management exemptions are site specific. Charges are assessed on a case-by-case basis.

Parking Zones

Council has adopted the following zone structure. Small changes may be required from time to time as the CBD continues to develop.

Green Shopper HC2 Zone

High Street – Laings Road to Waterloo Road portion
Queens Drive – Laings Road to Waterloo Road portion
Laings Road – High Street to Queens Drive portion
Bunny Street
Margaret Street
Waterloo Road - Queens Drive to High Street portion
Stevens Grove parallel parks
Knights Road – Bunny Street to Laings Road portion
Queens Drive – Laings Road to Fraser Street portion
Fraser Street
High Street – Fraser Street to Laings Road portion
Ward Street
Market Grove north side
Knights Road south side – Bloomfield Terrace to Myrtle Street
Myrtle Street east side angle parking – Knights Road to Laings Road portion
Andrews Avenue
Dudley Street
Daly Street – Margaret Street to Andrews Avenue
Rutherford Street, south end
High Street – Waterloo Road to Downer Street
Cornwall Street – Pretoria Street to Kings Crescent
Cornwall Street west side – Waterloo Road to Kings Crescent
Pretoria Street, west end within CBD
Raroa Road – east of Cornwall Street
Kings Crescent – Cornwall Street to Queens Drive
Osborne Place

Queens Drive – Kings Crescent to Waterloo Road
Waterloo Road – Bloomfield Terrace to Queens Drive
Bloomfield Terrace – Kings Crescent to Knights Road
Dowse Car Park
Laings Road – Queens Drive to Myrtle Street

Yellow Commuter HC3 Zone

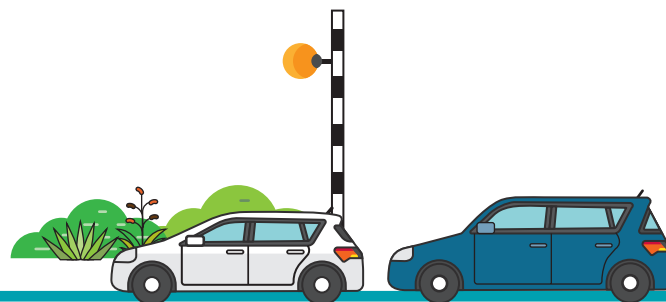
Events Centre Car Park (Laings Road)
Myrtle Street west side – Laings Road to Knights Road
Stevens Grove angle parking portion
Rutherford Street, south of Queens Drive
Raroa Road – High Street to Cornwall Street
Cornwall Street east side – Kings Crescent to Waterloo Road
Cornwall Street – Waterloo Road to Knights Road
Knights Road – Cornwall Street to Bloomfield Terrace
Knights Road north side – Myrtle Street to Bloomfield Terrace
Market Grove south side

Orange Commuter HC4 Zone

Myrtle Street – west side only, Laings Road to Huia Street

Light Blue Riverbank Zone

Riverbank Car Park
Residents' Parking Schemes
Council has one Residents' Parking Scheme in operation in High Street, Petone.



Infringements for Metered Parking

	2020-21
Failure to display a valid Pay & Display ticket	\$40.00
Overstaying, where the excess time is:	
Less than 30 minutes	\$12.00
More than 30 minutes	\$15.00
More than one hour	\$21.00
More than two hours	\$30.00
More than four hours	\$42.00
More than six hours	\$57.00
Parking on a mobility car park, without displaying a valid Mobility Pass card	\$150.00

Recycling

	2020-21
Replacement recycling containers	\$20.00
Enviro-flexinets	\$15.00

Roading

Subdivision Inspection and Approval Charges

	2020-21
Boundary adjustment	\$150.00
Additional lots/unit titles - 3.43% of total construction cost for one new lot reducing by 0.07% for each additional lot to 0.7% for 40 or more additional lots. This is the minimum fee irrespective of whether any construction work is necessary.	\$150.00

Motor Crossing Charges

	2020-21	
	Standard Fee	Admin/ Inspection
Concrete dished crossing per square metre	\$180.00	\$160.00
Extensions to existing concrete crossings per square metre	\$180.00	\$160.00
Installation of concrete dished crossing in conjunction with road reconstruction work per square metre	\$80.00	\$160.00
Concrete block crossing/pipe crossing/'slot' type crossing per square metre	\$180.00	\$160.00
Deposit for privately installed crossing (\$200.00 refunded upon satisfactory completion of crossing)	\$380.00	
Deposit for installation of a Heavy Duty or Extra Heavy Duty vehicle crossing (\$500.00 refunded upon satisfactory completion of crossing)	\$660.00	

Corridor Access Request Fees

	2020-21
Corridor Access Request – Minor Work (per CAR request)	\$70.00
Corridor Access Request – Major Work (per CAR request)	\$140.00
Corridor Access Request – Project Work (per CAR request)	\$1,000.00
Fee for texturizing seal coat of a trench in carriageway	\$700/m ²
Re-inspections Fee	\$160.00 per inspection

Signboards

There are four signboards located in Lower Hutt, each side of a signboard is hired out by the week.

	2020-21	
	Hire per week	Production per booking
Hire of all 4 signboards		
Side A	\$500.00	\$640.00
Side B	\$500.00	\$640.00
Hire of Cambridge Terrace, Naenae		
Side A	\$125.00	\$160.00
Side B	\$125.00	\$160.00
Hire of Ewen Bridge, Lower Hutt		
Side A	\$125.00	\$160.00
Side B	\$125.00	\$160.00
Hire of Kennedy Good Bridge, Avalon		
Side A	\$125.00	\$160.00
Side B	\$125.00	\$160.00
Hire of Waione Street Bridge, Seaview		
Side A	\$125.00	\$160.00
Side B	\$125.00	\$160.00

Sportsfields and Parks

Season Charges

Set to recover the percentage of operating cost identified below plus the full operating cost of ancillary services:

Recovery Rates Percentage	2020-21				
	Level 1	Level 2	Level 3	Children	Training/Winter
Sports	30	20	10	5	5
Cricket/Croquet	25	15	10	5	N/A

One-off or Single Day Hire

Charged at 10% of the season charge per game or, where the game lasts three hours or longer, 15% of the season charge per day.

Special Charges	2020-21
Events and commercial operators	By quotation
Picnic bookings (30 or more people)	\$50.00
Filming per hour	\$400 per day
Marquees for picnics/promotions - small	\$100.00
- up to 50m ¹	\$200.00
- up to 100m ¹	\$400.00
- larger ¹	\$600.00
Weddings	\$100.00
Hire of rooms, social facilities, training fields etc.	By quotation
No. 1 field at Hutt Recreation Ground	By quotation

1. Bookings for the season will take priority over casual bookings. A bond may be payable in certain circumstances.

Swimming Pools

	2020-21
Casual Rates	
Adult	\$5.80
Child	\$3.70
Over 65s	\$4.20
Spectator (non-supervising adult)	\$2.00
Family pass (two adults/four children)	\$20.00
Concession Rates	
Adult 10 swim	\$49.50
Adult 30 swim	\$121.50
Accessibility 10 swim (for people with a disability)*	\$36.00
Child 10 swim	\$31.50
Child 30 swim	\$78.00
Over 65s 10 swim	\$35.50
Over 65s 30 swim	\$88.00
Pool Hire	
Regular hire (25 metres per hour)	\$65.00
Casual hire (25 metres per hour)	\$120.00
Regular hire (50 metres per hour) – Naenae and Wainuiomata Pools	\$150.00
Casual hire (50 metres per hour) – Naenae and Wainuiomata Pools	\$250.00
Lane charge (25 metres per hour)	\$20.00
School Groups	
Group hire for lessons (per head)	\$1.20
Meeting Rooms	
Casual hire (per hour)	\$22.00

*Carers or support people assisting them receive free admission.

Venue Hire

Community Halls

Rates for hall hire are set out below. Upon application, discounts are available for regular hirers.

Charge Per Hour	2020-21					
	Community Rate			Commercial Rate		
	Main Hall Only or All Facilities Mon - Fri	Main Hall Only or All Facilities Weekends and Holidays	Meeting Room Mon - Fri	Meeting Room Weekends and Holidays	Mon-Fri	Weekends and Holidays
Moera, Eastbourne, Belmont, Hardwick-Smith Lounge, Treadwell	\$18.00	\$23.00	N/A	N/A	\$28.00	\$33.00
Wainuiomata, Naenae	\$18.00	\$23.00	\$13.00	\$15.00	\$28.00	\$33.00

Little Theatre

Hours and Sessions	2020-21			
	Monday to Friday (Jan-Aug)	Weekends and Public Holidays (Jan-Aug)	Monday to Friday (Sep-Dec)	Weekends and Public Holidays (Sep-Dec)
One session (8am-1pm, 1pm-6pm or 6pm-11pm)	\$154.00	\$225.50	\$168.00	\$246.00
Two sessions in one day	\$247.50	\$336.60	\$270.00	\$367.20
Three sessions in one day	\$371.80	\$508.20	\$405.60	\$554.40
Per hour after 11 pm	\$83.60	\$117.70	\$91.20	\$128.40
Note: 25% discount for community organisations				
Technician	\$69.00 Hourly			
Minimum 3 hours				
Minimum 6 hours for bookings over 3 days				

Stadiums and Community Hubs

Walter Nash Centre		2020-21
One court (per hour)		\$75.00
Two courts (per hour)		\$135.00
Three courts (per hour)		\$200.00
Four courts (per hour)		\$250.00
Five courts (per hour)		\$300.00
Meeting rooms		
Small		\$20.00
Medium		\$35.00
Large		\$50.00
Large combined		\$100.00

Note: These are maximum charges for community use. Commercial activities incur separate charges available on enquiry.

Koraunui Stokes Valley Community Hub	2020-21	
	Community	Commercial
Meeting rooms		
Small (per hour)	\$10.00	\$15.00
Medium A (per hour)	\$20.00	\$20.00
Medium B (per hour)	\$20.00	\$20.00
Large A (per hour)	\$30.00	\$50.00
Large B (per hour)	\$30.00	\$50.00
Large combined (per hour)	\$50.00	\$100.00

Note: These are maximum charges.

These charges include AV for Large combined and Medium B

Stormwater

2020-21	
Stormwater connection application fee	\$100.00
Stormwater connection fee	Actual cost to approved contractors

Wastewater

2020-21	
Wastewater connection application fee	\$100.00
Wastewater connection fee	Actual cost to approved contractors

Trade Waste Class

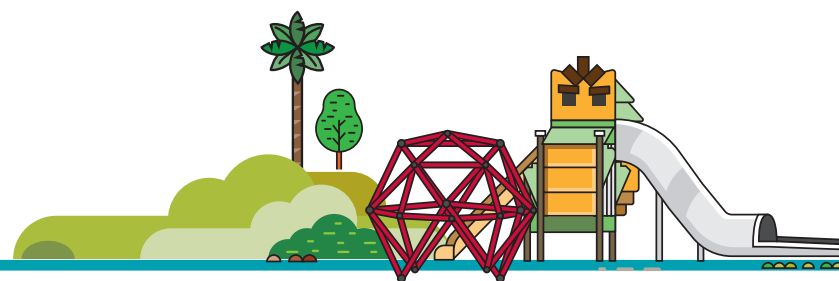
	2020-21	
	Consent Fees	Consent + \$165 if Conditional Consent Required
Class 1: High Risk	\$1640.00	\$1805.00
Class 2: Moderate Risk	\$825.00	\$990.00
Class 3: Low Risk	\$460.00	\$625.00
Class 4: Minimal Risk	\$245.00	\$410.00
Class 5: Minimal Risk Low Flow	\$125.00	N/A
Application fee	\$95.00	
Re-inspection fee	\$95.00	
Late payment additional fee	\$95.00	
Transfer additional fee		

Trade Waste User Charges

2020-21	
Flow (per cubic metre)	\$0.461 per m ³
Total suspended solids	\$0.948 per kilogram
COD (chemical oxygen demand)	\$0.325 per kilogram

Water

2020-21	
Upper Belmont Development Levy (per lot)	\$6,686.00
Water connection fee	\$100.00
Fee for use of water by builders on unmetered industrial and commercial sites	\$80.00
Charge for ordinary supply Class 2 Water	
Minimum charge	Uniform Annual Charge
Domestic water meter rental	\$75.00
Normal users per cubic metre	
Up to 100,000 cubic metres	\$2.38
In excess of 100,000 cubic metres	\$1.71
Water supplied by hydrant	
Per cubic metre	\$2.38
Minimum charge	\$35.00
Back flow prevention – annual inspection charge	\$180.00



Definitions | Ngā Aronga

These definitions are intended to define terms used in this Annual Plan in plain English. For legal definitions see the Local Government Act 2002.

Annual Plan

A plan that describes the activities of the local authority, with a particular focus on the financial year for which the document is produced.

Appropriation/Appropriated

Money that has been set aside from, or brought into, an operating or revenue account.

Asset

Something of value that Council owns on behalf of the people of Lower Hutt, such as roads, drains, parks and buildings.

Asset Management Plan

A long term plan for managing an asset to ensure that its capacity to provide a service is kept up and costs over the life of the asset are kept to a minimum.

Capital Expenditure

Expenditure that will increase the value of Council's assets.

Capital Value

Value of land including any improvements.

Community Boards

Local elected bodies set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.

Community Funding Panels

Community Funding Panels replace previous Community Panels. The purpose of the panels is to support local projects and initiatives. Hutt City Council has four Community Funding Panels in the Central, Eastern, Northern and Western ward communities.

Community Outcome

An outcome or goal for the community that is identified as a priority.

Council Controlled Organisations (CCOs)

Companies in which Council is at least 50% shareholder that independently manage facilities and deliver services and undertake developments on behalf of the

Lower Hutt community. Where necessary, Council funds these organisations.

Council Controlled Trading Organisations (CCTOs)

CCOs that operate a trading undertaking for the purpose of making a profit.

Employee Costs

Expenditure on staff. This includes wages, salaries and related taxes, training and recruitment costs.

Financial Year

Council's financial year runs from 1 July to 30 June of the following year.

Forecast Financial Statement

This is a 10-year plan for Council's revenue and expenditure, cash flows and borrowing programme.

Land Value

Value of land, excluding any improvements.

Local Government Act 2002

The key legislation that defines the powers and responsibilities of local authorities like Hutt City Council.

Long Term Plan (LTP)

A plan that describes the activities of the local authority, the community outcomes and long term focus for the decisions and activities of the local authority.

Maintenance Costs

Expenditure in relation to repairs and maintenance of Council's assets.

Mana Whenua

People who have guardianship (kaitiakitanga) rights over their lands.

Operating Expenditure

Expenditure for the normal services of Council.

Operating Projects

Significant projects that do not result in the creation of Council assets.

Performance Measure

A measure that shows how well Council is doing in achieving the goals it has set for itself.



Port Nicholson Block Settlement Trust

The Port Nicholson Block Settlement Trust Deed of Settlement was signed on 19 August 2008. The Port Nicholson Block (Taranaki Whānui ki te Upoko o te Ika) Claims Settlement Act 2009 came into force on 2 September 2009.

The Port Nicholson Block Settlement Trust (Taranaki Whānui ki te Upoko o te Ika) was established in August 2008 to receive and manage the Treaty of Waitangi settlement package on behalf of the Taranaki Whānui ki te Upoko o te Ika beneficiaries.

Rates

Funds collected by Council from levies on property. These are based on the capital value of the property but the term is often used to also include Targeted Rates.

Significance

Degree of importance of the issue, proposal, decision or matter as assessed by the local authority in terms of its likely consequences for the current and future social, economic, environmental or cultural wellbeing of the community.

Significant Activities

The Long Term Plan and Annual Plan list 14 separate significant activities that fall within five groups of activities.

Supplier Costs

Expenditure for the purchase of general goods and services.

Support Costs

The internal allocation of expenditure incorporated in the City Leadership activity.

Taonga

A highly prized resource.

Targeted Rates

Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater and the Jackson Street Programme.

Te Atiawa

Local tangata whenua with inherited land ownership and kinship to Northern Taranaki Te Atiawa.

Te Rūnanganui o Taranaki Whānui ki te Upoko o te Ika a Māui

A representative Māori Council made up of local tangata whenua and representing the eight Taranaki tribes within the Wellington region.

User Charges

Income to Council through fees paid by those who use specific services provided by Council.

Wellington Tenth Trust

Local tangata whenua with inherited land ownership in Wellington and Hutt Valley and kinship to Northern Taranaki Te Atiawa.

Contact Details | Whakapā Mai

Hutt City Council

Address: Administration Building
30 Laings Road
Lower Hutt

Postal Address: Private Bag 31 912
Lower Hutt 5010

Telephone: 04 570 6666
0800 HUTT CITY

After Hours

Emergencies: 04 570 6666
Email: contact@huttcity.govt.nz
Website: huttcity.govt.nz
[facebook.com/huttcitycouncil](https://www.facebook.com/huttcitycouncil)
twitter.com/huttcitycouncil

War Memorial Library

Address: 2 Queens Drive, Lower Hutt
Telephone: 04 570 6633

Eastbourne Community Library

Address: 38 Rimu Street, Eastbourne
Telephone: 04 562 8042

Moera Community Library

Address: 175 Randwick Road, Moera
Telephone: 04 568 4720

Naenae Community Library

Address: Hillary Court, Naenae
Telephone: 04 567 2859

Petone Community Library

Address: 7 Britannia Street, Petone
Telephone: 04 568 6253

Stokes Valley Community Library

Address: Koraunui Stokes Valley
Community Hub, 186 Stokes Valley Road,
Stokes Valley
Telephone: 04 562 9050

Taita Community Library

Address: Walter Nash Centre, Taine
Street, Taita
Telephone: 04 567 2767

Wainuiomata Community Library

Address: Queen Street,
Wainuiomata
Telephone: 04 564 5822



Mayor and Councillors | Te Koromatua, Ngā Kaikaunihera

Contact the Mayor or any Councillor:

Mayor Campbell Barry

E: campbell.barry@huttcity.govt.nz

T: 04 570 6846

David Bassett

Central Ward Councillor

E: david.bassett@huttcity.govt.nz

Josh Briggs

City Wide Councillor

E: josh.briggs@huttcity.govt.nz

M: 021 686 830

Keri Brown

Wainuiomata Ward Councillor

E: keri.brown@huttcity.govt.nz

M: 021 829 559

Brady Dyer

City Wide Councillor

E: brady.dyer@huttcity.govt.nz

M: 021 246 8888

Simon Edwards

City Wide Councillor

E: simon.edwards@huttcity.govt.nz

T: 04 565 1084

M: 027 484 8892

Deborah Hislop

City Wide Councillor

E: deborah.hislop@huttcity.govt.nz

T: 04 570 4177

M: 027 457 0567

Deputy Mayor Tui Lewis Harbour

Ward Councillor

E: tui.lewis@huttcity.govt.nz

T: 04 970 5159

M: 021 271 6249

Chris Milne

Western Ward Councillor

E: chris.milne@huttcity.govt.nz

T: 04 586 3890

M: 027 442 2708

Andy Mitchell

Eastern Ward Councillor

E: andy.mitchell@huttcity.govt.nz

M: 021 136 1589

Shazly Rasheed

City Wide Councillor

E: shazly.rasheed@huttcity.govt.nz

M: 021 266 4822

Naomi Shaw

City Wide Councillor

E: naomi.shaw@huttcity.govt.nz

M: 021 537 068

Leigh Sutton

Northern Ward Councillor

E: leigh.sutton@huttcity.govt.nz

T: 04 563 5184

M: 027 306 8362



HUTT CITY
TE AWA KAIRANGI