

# TOGETHER WE ARE A CITY

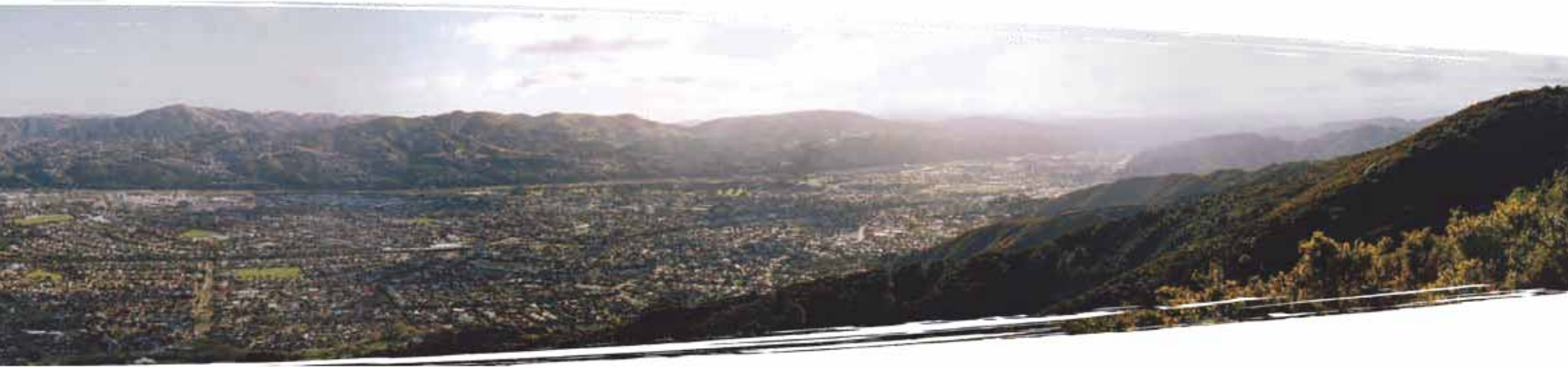
A LONG TERM PLAN FOR HUTT CITY 2012–2022  
INCLUDING THE ANNUAL PLAN 2012–2013

**HUTT CITY**  
TE AWA KAIRANGI



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## Message from the Mayor and Chief Executive

Engagement by the community in consultation on the Draft Long Term Plan for 2012-2022 was very welcome and represented a lot of hard work and very thoughtful submissions by a large number of people wishing to contribute to the future of our city. As a result of community input we have made a number of changes to the original proposals.

Affordability was a strong theme throughout the submissions we received. We've listened to our ratepayers and kept a tight rein on rates. We've also made changes to the way rates are allocated, to be phased in over the next 10 years. This will better reflect the benefits each sector receives, and ease the load on businesses to help encourage economic development. The views of rural ratepayers were acknowledged and reflected in a reduced rural differential from that proposed.

We received several million dollars' worth of requests for additional projects. Many of these were very worthy projects, but in this tough economic climate we could not justify asking ratepayers to pay more.

We intend to reduce our debt level to \$45 million by 2015. This will include funding for the seismic strengthening of the civic buildings in Laings Road.

The \$12 million Taita Community Project has been given the go ahead with a revised council contribution of \$6 million, while the Fraser Park Sportsville development received additional funding of \$1 million to progress this project.

Other safety projects to get the go ahead were the Wainuiomata Hill summit bridge for walkers and cyclists, the Eastern Bays walkway/cycleway, and earthquake strengthening for key bridges in the city. These projects are to be subsidised by the NZ Transport Agency, which will be confirming its funding allocations within the next few months.

A \$1.2 million business stimulus package was also approved to attract new industry and businesses to Lower Hutt.

Budget changes included providing increased funding for playgrounds and parks including Avalon Park, and providing for initial participation in the Regional Amenities Fund.

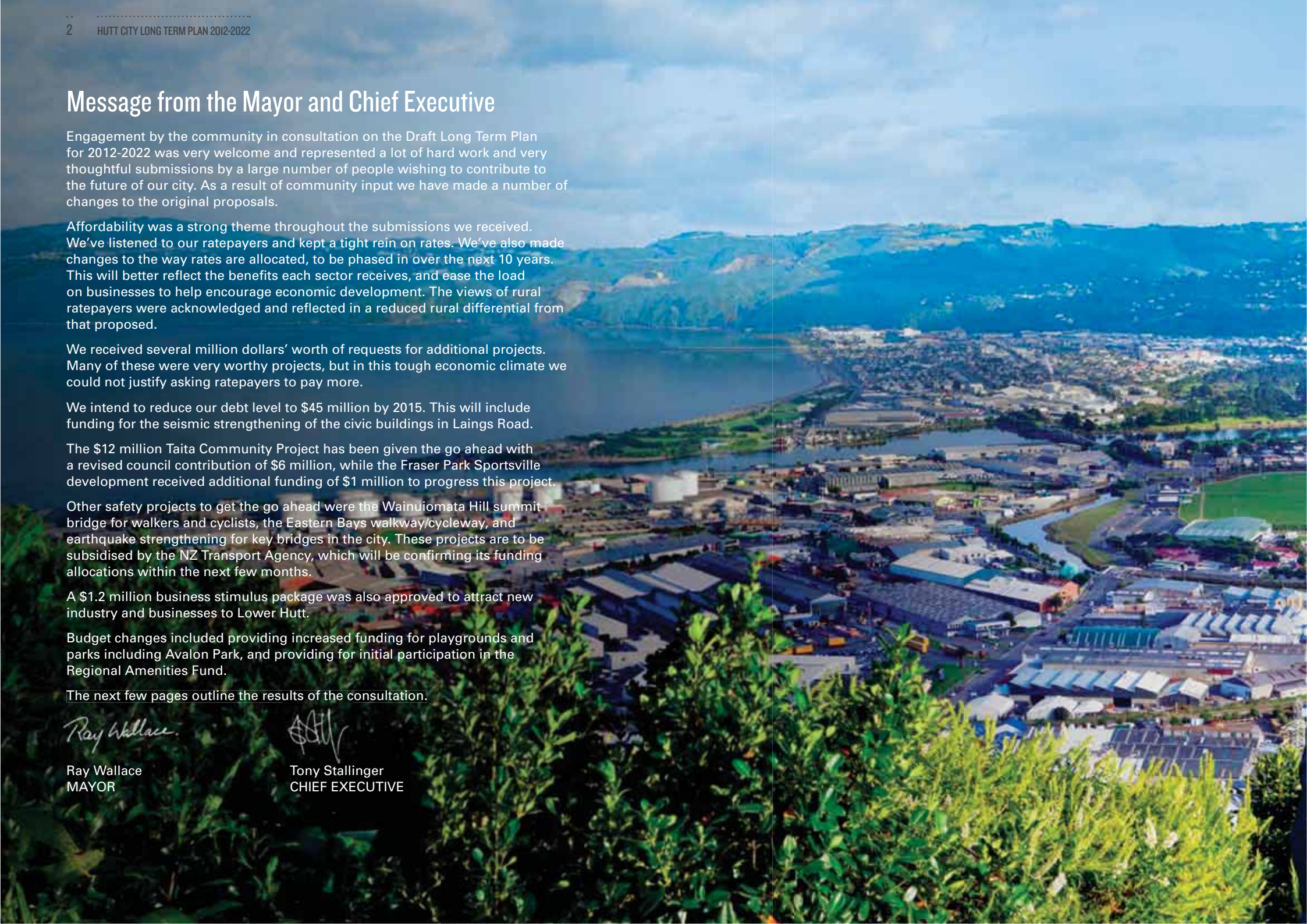
The next few pages outline the results of the consultation.



Ray Wallace  
MAYOR



Tony Stallinger  
CHIEF EXECUTIVE





**Welcome to our Long Term Plan 2012–2022.**

## This Long Term Plan sets out our plans for the city over the next ten years and beyond.

More than 800 submissions were received on the Draft Long Term Plan. Five hundred and fifty of these were on the questionnaire form. The results are printed below, along with Council's response on each item.

### Our Neighbourhoods Make Our City

PROPOSALS	YES %	NO %	DON'T KNOW/NO RESPONSE %	TOTAL %
Do you support the idea of one overall vision for the city that combines the needs of individual communities?	80	9	11	100
Do you agree with the opportunities identified?	64	13	23	100

Council will continue working to implement its overall vision for the city.

### Managing Our Finances

DO YOU AGREE WITH ... ?	YES %	NO %	DON'T KNOW/NO RESPONSE %	TOTAL %
Limiting rate increases to no more than inflation plus growth	70	13	17	100
Limiting net debt	70	9	21	100
Limiting expenditure increases to the rate of inflation	64	16	20	100

Council has confirmed the financial strategy outlined in the Draft Long Term Plan.

### Allocating the Cost of Council Services

Council proposed reallocating the cost of council services funded through the general rate among residential, business, utility network and rural ratepayers.

DO YOU SUPPORT THE PROPOSAL?	TOTAL %
Yes	41
No	36
Don't Know/No Response	23
TOTAL	100%

RATEPAYER CATEGORY?	TOTAL %
Residential	80
Business	5
Rural	7
Utility	-
Don't Know/No Response	8
TOTAL	100%

Council has standardised the general rates paid by business, utility network and community facilities (category CF3) ratepayers at 2.3 times that of a residential ratepayer, with rural at 0.8 times that of a residential ratepayer, to be introduced over a ten year period.

DO YOU SUPPORT THE PROPOSED FIXED RATE OF AROUND \$570 (INCLUSIVE OF GST) PER SEPARATELY USED OR INHABITED PORTION OF RATEABLE PROPERTIES IN THE BUSINESS CENTRAL SECTOR TO FUND A NEW \$200,000 CBD DEVELOPMENT AND PROMOTION ACTIVITY?	BUSINESS CENTRAL RATEPAYERS (N=25) %
Yes	24
No	64
Don't Know/No Response	12
TOTAL	100%

Council has allocated \$100,000 from the general rates to increase its focus on the development and promotion of the CBD.

### Advancing the Earthquake Strengthening of Civic Buildings

DO YOU AGREE WITH THE PROPOSAL?	TOTAL %
Yes	61
No	22
Don't Know/No Response	17
TOTAL	100%

Council has agreed to advance the earthquake strengthening of the Administration Building, Town Hall and Horticultural Hall.

PREFERRED FUNDING OPTION	TOTAL %
OPTION 1: Increasing the 2015 net debt target from \$40m to \$50m	37
OPTION 2: Increasing the 2015 net debt target from \$40m to \$45m and also delaying a number of planned capital projects	37
OPTION 3: Sticking to the 2015 net debt target of \$40m and delaying a greater number of planned capital projects	24
Don't Know/No Response	2
TOTAL	100%

Council has agreed to Option 2 in view of the support expressed for this option and for limiting net debt as part of Council's financial strategy.

Winner of the 2011 **GOLD**  
Business Excellence Award



### Stimulating Economic Development

DO YOU AGREE WITH THE PROPOSAL?	TOTAL %
Yes	44
No	31
Don't Know/No Response	25
TOTAL	100%

Council has established a \$1.2 million fund, aimed at injecting confidence into the Lower Hutt economy, drawn from savings made by Council. There are three parts to the package including a two-year city-wide waiver on fees expected to cost around \$950,000 per annum, appointment of a development liaison position to assist businesses through the development process, and \$200,000 per annum for two years for the CBD Making Places project.

### Planning for Future Growth in the City

PREFERRED OPTION FOR URBAN GROWTH	TOTAL %
Aim for growth at the regional average of 0.6% a year to 2031	16
Continue with business as usual - growth at the expected level of 0.2% a year	31
Aim for growth at 0.4% a year	25
Aim for higher growth than expected regional average of 0.6% a year	13
Don't Know/No Response	15
TOTAL	100%

PREFERRED OPTION FOR NEW HOME DEVELOPMENT	TOTAL %
Mainly through infill development	3
Mainly through use of greenfield land	7
Mainly through intensification, e.g. apartment development in the CBD and Petone	17
A mixed approach using a balance of each	62
Don't Know/No Response	11
TOTAL	100%

Feedback from submitters will be considered further as Council develops its Urban Growth Strategy.

### Regional Amenities Fund

WOULD YOU BE WILLING TO CONTRIBUTE TO THE FUND THROUGH YOUR RATES?	TOTAL %
Yes	46
No	37
Don't Know/No Response	17
TOTAL	100%

Council has decided to approve \$195,000 to support the Regional Amenities Fund for 12 months and then assess whether or not that support should continue in 2013. Council felt it should support regional initiatives as it is important that all territorial authorities in the region work together to deliver services whenever the opportunity presents itself. However, Council also felt it was prudent to take a cautious approach with ratepayer funds and therefore decided to only commit to the first year of funding. The funding will come from the general rate.

### Civic Fountain

DO YOU SUPPORT THE ADDITION OF \$120,000 TO THE BUDGET FOR REPAIRS TO THE CIVIC FOUNTAIN?	TOTAL %
Yes	30
No	53
Don't Know/No Response	17
TOTAL	100%

Council has deferred making a decision on the Civic Fountain for a year pending preparation of a civic gardens development plan.

### Public Toilets

SHOULD A NEW PUBLIC TOILET BE CONSTRUCTED IN WAINUIOMATA?	TOTAL %
Yes	57
No	12
Don't Know/No Response	31
TOTAL	100%

Council proposes that the future proceeds to be realised from the sale of a residential property that forms part of Hugh Sinclair Park in Wainuiomata will be used to construct public toilets at that park.

### Other Topics

Over 250 submissions were not presented in the questionnaire format. As well as commenting on some of the questionnaire topics, the main themes raised in these submissions were:

- Matters related to affordability
- Issues relating to cycleways/walkways, transport and roading
- Sportsville and sporting-related issues
- Issues relating to parks, gardens, reserves, green space and playgrounds
- Health-related issues.

A number of submissions commented on the issue of regional governance. Council is working with Wellington City Council and Upper Hutt City Council to develop and carry out a survey of residents to find out people's views about amalgamation of the region's local and regional councils. Once the results of that survey are analysed, Council will consider what action should be taken. Council currently supports the shared services approach to ensuring that services are delivered in the most financially effective way and provide best value for ratepayers and residents.

The full results of the consultation are available on the Council website: [www.huttcity.govt.nz/longtermplan](http://www.huttcity.govt.nz/longtermplan)



More than **50** children's playgrounds

# BACKGROUND

## GLOBAL CONTEXT

In 2010 the Commonwealth Scientific & Industrial Research Organisation (CSIRO) in Australia presented "Our Future World: an analysis of global trends, shocks and scenarios". The five interrelated megatrends identified in the report are:

**More from less** – this relates to the increasing demand for natural resources through economic and population growth which will require a focus on resource use efficiency in the coming decades.

**A personal touch** – the services sector of western economies is becoming more focused on innovation aimed at tailoring and targeting services.

**Divergent demographics** – western economy populations are ageing and experiencing lifestyle and diet related health problems. At the same time there are high fertility rates and problems of not enough food for millions in poor countries.

**On the move** – people are changing jobs and careers more often, moving house more often, commuting further to work and travelling around the world more often.

**i World** – everything in the natural world will have a digital counterpart. Computing power and memory storage are improving rapidly. Many more devices are getting connected to the internet.

CSIRO also identified eight "megashocks". A global risk or "megashock" is a significant and sudden event, the timing and magnitude of which is very hard to predict. The eight megashocks identified in the report are:

- asset price collapse
- slowing Chinese economy
- oil and gas price spikes
- extreme climate change related weather
- pandemic
- biodiversity loss
- terrorism
- nanotechnology risks.

## THE ROLE OF LOCAL GOVERNMENT

Neither New Zealand nor Hutt City is immune to trends such as the demand for broadband, national infrastructure changes and development, or growing lifestyle and related health issues like obesity and the ageing population. Given the trends, the current shape, purpose and role of local government will need to be significantly different in 2020 and local government is in a perfect position to:

- work with the private sector, to achieve a vibrant and internationally competitive Hutt City that is prosperous and sustainable
- do more for less through use of technology and economies of scale
- lead the green revolution
- provide services that meet the demand for electronic connectivity, and
- collaborate with other local government organisations to help New Zealand compete successfully in the international economy.

## Cities will drive economic growth

Globalisation and the knowledge economy have repositioned cities as the drivers of national economies. By 2025 75% of the world's population will live in cities or metropolitan areas. The exciting challenge for local government is, together with the private sector, to achieve vibrant and internationally competitive cities and regions that are prosperous and sustainable.

## Doing more for less

Advancement in technology is a key driver that can change the way we do things - so we can do things quicker, more accurately and at less cost. Arguments based on economies of scale are creating pressure for services to be managed on a regional basis and even for local authorities to amalgamate.

However the traditional approach of central government to design and deliver social services on a "top down" basis means these services do not realise their full potential because of a lack of local connections and knowledge. There is a role for local government in facilitating the effective delivery of social services because of its local knowledge and local connections.

## Leading in the green economy

There is now a sense of urgency to fix the environmental problems of the modern world. Public concerns for action are driving the need for a response by central government, local government and the corporate world. Local government could play a leading role in promoting a low carbon footprint city or district. It could lead by example in energy efficiency, promotion of walking, cycling and public transport and landfill management.

More than **5,000** hectares  
of parks and reserves





### Information technology-led transformation of service delivery

The growth of the services sector in western economies is being followed by a second wave of innovation aimed at tailoring and targeting services. Mass collaboration is powering the new economy – social media of YouTube, Facebook and Myspace are based on participation of their communities. Successful brands like Apple are reshaping the future. Constant connectivity in an on-demand world is the expectation of a new generation growing up and becoming customers of local government.

### International relationships

The future prosperity of New Zealand lies in competing successfully in the international economy. Local government needs to collaborate with each other to leverage the collective strengths brought to the international marketplace. The positioning statement that won New Zealand the hosting of Rugby World Cup 2011 “A stadium of 4 million people” can just as readily be applied to the national economic “game”.

### ISSUES FOR HUTT CITY

While the global context is important, there are a number of issues that are specific to the region and to Hutt City. One of the more important questions is the **regional governance structure** into the future. Thought needs to be given to the impact regional governance changes might have on Hutt City and how the city shapes its own future.

Across the local government sector there is a growing focus on councils working together to provide “**shared services**”. There are existing shared services agreements, for

example Capacity is the result of a shared services agreement with Wellington and Upper Hutt City Councils. We recently entered into a five year shared service library agreement that involves three other local authorities. The regional Chief Executives have a set of services they are looking at with regard to shared services, and we’ve continued to seek opportunities to provide shared services with Upper Hutt City Council.

We’ve been active in the area of **city development** for a number of years. The key decision now is how much and where the emphasis should be. Hutt City is lagging behind other cities in the region in terms of growth and is projected to have the lowest level of growth in the region by 2031. In response we’re starting work on the development of an urban growth strategy – see page 23 for more information.

Fundraising for community assets is an aspect of city development. What is the actual level of funding the Council can raise? What other avenues of funding are available within the community? The move towards establishing a Community Facilities Trust is an example of Council thinking “outside the square” to provide 21st century community services and facilities for the city.

Current key priorities include:

- Progressing the development of the CBD via the CBD Vision 2030 and CBD Making Places programme
- Developing interconnected transport corridors, in particular a solution to the volume of traffic, particularly heavy traffic, along the Esplanade
- Implementation of the Seaview Gracefield Vision

- Implementation of the Petone Vision including Petone West Plan Change
- Development of a second generation District Plan.

The last six years or so have seen the development of a number of plans, policies and strategies to set the direction for the city. This work needs to be integrated with “business as usual” and priorities established within financial limits. Page 14 outlines our vision for the city and plans to develop our neighbourhoods as part of our overall vision for the city. Page 17 outlines the strategies that will help us to achieve our vision for the city.

There are key **financial priorities** to address such as planning for the future replacement of our ageing facilities such as halls, libraries and pools so that they are more relevant, cohesive and flexible spaces that will meet contemporary and future needs. Our financial strategy is outlined from page 18 and page 28 onwards includes more information about the city’s assets.

**Flood management** remains vitally important. While we’ve done a lot since 2004 the risk remains and will never be eliminated. Our stormwater activity lists a number of projects aimed at improving levels of protection against flooding, the largest of which is an eight year multi-million dollar project on the Awamutu Stream. We continue to work closely with the Regional Council to develop a floodplain management plan for the Waiwhetu Stream, and to coordinate local stormwater improvements with Greater Wellington’s ongoing Hutt River flood protection works. Work also continues on a general upgrade of stormwater networks and hotspots.



## 6 swimming pools

**Water supply/demand** will be a growing issue if the city's population increases beyond the numbers predicted. Demand management and other conservation measures can provide some counter to this in the short term. Further water storage infrastructure will be required at some future point if the region's population increases as predicted, and Greater Wellington Regional Council is planning to make a decision about a dam in 2014.

**Government funding for roads** is clearly focussed on state highways (roads of national significance). Securing funding is becoming more difficult. Our roading and traffic projects listed from page 96 identify the expected levels of government subsidy.

**Social housing** is ill matched to current needs (e.g. too many bedsits), and age of the asset (many built in the early 1960s) means a growing maintenance spend. Population growth projections indicate that there will be a growing number of smaller and one person households despite modest population growth.

## COMMUNITY PROFILE

In 1961, Lower Hutt City had a population of 53,044, with the populations in the boroughs of Petone, Eastbourne and Wainuiomata 9,888, 2,654 and 9,190 respectively.

Development of the Hutt Valley as suburbs occurred within the 1930s to 1960s as a government development around railway-based suburbs, but continued from 1960 to about 1975 as private sector, car-based suburbs.

Housing shortages and poor quality housing prompted the new government of 1935-1938 to initiate an extensive government house building programme. For this reason many of the suburbs were well laid out in accordance with modern town-planning practice. The population was predominantly European although Māori retained an important presence and were very involved in local politics during this time.

In the 1960s Lower Hutt was seen as a city of lovely homes, abundant parks and playing fields, providing a full range of cultural and business facilities "including a civic centre that would do credit to a place twice its size".<sup>1</sup> Several community centres and public halls were built to meet neighbourhood needs for communal activities and public gathering spaces. Lower Hutt was New Zealand's first garden city and had a strong landscape heritage in formal planted gardens and garden related attractions.

Commercially the city occupied an important central position, was handy to all forms of transport and because of this had become one of the largest and busiest of New Zealand's manufacturing centres. Nowhere was it "drab, depressed or run down; on the contrary it was a bustling, spacious, pleasant city."<sup>2</sup>

The commercial and civic centre of Lower Hutt was spacious with ample parking and many modern buildings were built by the private sector. There was a transport centre which was the hub of operations and included

a day nursery. There were many beautiful churches, gardens, parks, sports facilities and scenic reserves. Thousands thrilled to the sport of night trotting at Hutt Park raceway, one of the very few in the country.

In industrial activity Lower Hutt was rated among the busiest cities in New Zealand with almost every kind of manufacturing being carried on within its boundaries – television and locomotive manufacturing, milk processing, tyre retreading and printing being some examples.

From about 1960 onwards, the government's suburb building in the Hutt Valley slowed with the private sector developing the suburbs of Wainuiomata and the Western Hills. By this stage car ownership was at one per household and public transport use was falling by 30 to 50% relative to its 1950 patronage. Retail was changing away from businesses that owned their modest premises to larger shopping centres built and rented out, usually by financial institutions. Suburban retail either comprised such a shopping centre if it was sufficiently self-contained or (for example, the western hills suburbs) with a very basic number of shops, with the expectation that residents would shop in the new shopping centres located within Lower Hutt or Wellington City.<sup>3</sup>

Since the 1960s the number of big manufacturing industries has decreased markedly and the city has changed considerably.



40 km of coastline

<sup>1</sup> City of Lower Hutt New Zealand produced for the Lower Hutt City Corporation by the Thompson-Kitching Company and printed by Hutcheson, Bowman and Stewart Ltd, Wellington, circa 1965

<sup>2</sup> Ibid n.1 above

<sup>3</sup> Dravitski, V and Powell F, Survival or Decline in Local Shopping: A Wellington Case Study, 2008, presentation at International Cities Town Centres & Communities Society ICTC 2008 Sydney Olympic Park, Sydney, Australia 7 – 10 October, 2008

## HOW WILL HUTT CITY CHANGE OVER THE NEXT TWENTY YEARS?

Hutt City's future will be influenced by our future growth, demographic trends and our economic resilience. If Hutt City continues to grow as it has over the last twenty years then the likely outcome is that not much will change from the way the city is today. The following provides a snapshot of Hutt City in 2031 using medium growth projections from Statistics New Zealand.

### Population growth

There will be limited population growth concentrated in some areas of the city with slight depopulation in others. Within the context of low growth between 2011 and 2031, there is some population growth in a small number of central valley and Western Hills areas.

### An ageing population

There will be a decrease in the proportion of younger people within the population and a growing number of those over 65 years of age in all areas of the city (as in all regions, cities and districts). Whilst the population overall continues to age, both Māori and Pacific populations will retain a considerably younger profile.

### Households

Whilst the overall population growth slows down – and falls during the four years between 2027 and 2031 – there is a continued increase in the number of households. There is expected to be an additional 4700 households, or an increase of 12% by 2031. This is the result of population ageing and an increase in smaller households.

### Declining birth rate and a growing number of annual deaths

A projected decline in the number of births and an increase in the annual number of deaths mean that there will be little natural increase in the population of the valley. There is a steady narrowing of the annual gap between births and deaths, and this becomes slightly more pronounced by 2027.

### Net migration

Recent levels of outward migration are projected to continue up to 2031. Recent Statistics New Zealand data on the period between 1997 and 2006 shows that Lower Hutt has seen outward migration across the age spectrum apart from those in the 30 to 34 age group, but particularly amongst the 20 to 24 age group.

### Increasing ethnic diversity

There will be a continuing decline in the European population and increases in the proportion of Māori, Asian and Pacific populations. The Asian population is projected to grow at the fastest annual rate (2.5%), followed by Pacific (2.2%) and Māori (1.4%).

### Deprivation

2006 data from Statistics New Zealand shows that several areas of the city are affected by high levels of socio-economic deprivation. Successive deprivation indices show that little overall progress has been made in combating deprivation levels in these communities. The areas of highest deprivation are predominantly Naenae, Taita and the outskirts of Stokes Valley, Haywards and Manor Park, Moera and areas of Avalon, Eponi and the western outskirts of the central city. It is notable that, within the context of low growth overall, there will be population growth in areas such as Naenae, Taita and Eponi, up to 2031.

## CONCLUSIONS

### Growth and development

Unless Hutt City takes a proactive approach to increasing its share of regional population growth, there will continue to be limited population growth.

It is likely that there will not be any significant changes in land use as we are a city and our projected pace of growth is not sufficient to require any radical changes of current land use to make way for more housing and commercial and industrial growth. The city may, however, choose to make changes to current land use rules to stimulate higher population and therefore economic growth.

The declining number of young people and increasing numbers of older people as a proportion of the population might affect the services we provide - both existing and additional. We may have to provide new or different services to meet the different needs of an older population.

Many of the city's young people between the ages of 20 and 25 leave the city and, while some return in their later twenties/early thirties to settle and raise a family, many do not. Although the population is generally ageing, the Māori, Pacific and Asian populations are younger and growing and by 2026 will make up 42% of Hutt City's population. By 2040 these groups will make up over 50% of the city's population.

The ageing population might mean that we will need to consider the types of services and facilities that an older population will require while at the same time looking at how the city might retain young people and whether we can influence their decision to stay or to relocate.



More than **\$1.2** billion of council assets managed from annual income of approximately **\$130** million

It is unlikely that Hutt City will see major growth if we continue with business as usual. This means that it is unlikely that there will be a change in the type of employment available to retain young people or large amounts of the residential, commercial or industrial development needed to stimulate and maintain economic development.

The reverse side of this is that low level growth means that there will be less pressure to build new infrastructure to meet growing demand. On the other hand, low level growth means we must ensure that the current capacity is sufficient to meet existing and slightly more need. For example, without intervention to encourage greater growth than projected, the city is unlikely to need more/bigger stormwater pipes. We need to address such issues as:

- what is the capacity of the current set up?
- what excess capacity is there, if any?
- what is the actual condition of the pipes, as not much development is likely?
- what is the condition of community facilities and how will we meet community needs in the future?

These questions will be considered further as we develop our urban growth strategy for the city (see page 23).

The areas of high deprivation continue to be the same, and the areas with higher population growth and a younger population include Naenae, Taita and Epuni. The young people who will be future ratepayers will be predominantly Asian, Māori and Pacific Island, and the latter two groups are not currently succeeding educationally as well as is desirable for building an economy dependent on science and technology.

Whether and how we influence change in this area will have an impact on the ongoing growth and development of the city.

**Leisure, recreation and wellbeing**

There are a number of trends of particular relevance to sport and recreation, in particular the ageing population and the increasing casualisation of sport and recreation activity through the growth of individual pursuits and new sport and recreational pursuits.

The growing numbers of younger Māori, Pacific Island and Asian people in Hutt City may see the traditional sporting codes of rugby and cricket becoming less popular and the need for grounds – especially highly specialised surfaces – reduce. The ageing population might see a rise in the popularity of games like croquet and bowls.

Will our current approach to sports grounds and other playing surfaces continue to meet population needs into the future, or should more emphasis be placed on facilitating and meeting the growth in individual participation in recreational activities such as walking and cycling?

How will we ensure that we continue to encourage physical activity so that we can contribute to reducing the incidence of obesity, diabetes and heart disease in populations that suffer most from these ailments – Māori and Pacific Island people and low socio-economic populations?

Community demand has remained relatively unchanged over the last 20 years with those communities that were boroughs prior to amalgamation in 1989 focused on retaining all the services that were provided by the

borough councils. This has resulted in the uneven allocation of resources across the city and cannot continue if Council and its partners are going to be able to meet leisure and recreation demands of residents in 2031.

Walking and gardening, in that order, were the two most popular activities for both men and women. Population projections suggest that, as with the rest of New Zealand, there will be more women than men living in Hutt City. Together with the ageing population do the gender differences have implications for the type of recreational activity and/or spaces we provide into the future? There will be approximately 2000 more women in Hutt City in 2031 than men.

Other issues driving change in this area include:

- increasing obesity across the whole population
- the need to reduce health risks and help lower the costs of healthcare
- building constructive and positive social behaviour and healthy and strong communities.

How will Hutt City continue to provide top class facilities such as swimming pools and gymnasiums into the future that will meet the actual needs of the population rather than merely maintaining the status quo?

Our active recreation and sport strategy is due to be updated and will consider such questions as these.



**800** businesses focused on science and innovation

### Literacy, education and technology

Our provision of services and facilities in the form of libraries means that all citizens have access to information, knowledge, technology and learning opportunities. The services and facilities are a collective resource that is greater than any individual or family could afford or accommodate. Libraries support community learning, literacy and recreation.

Libraries are well placed to support the educational development of the young people who will be future ratepayers, particularly in terms of access to technology.<sup>1</sup> Libraries of the future have a key role to play in:

- delivering consistent and effective programmes, products and services
- developing collections that enrich the programmes, products and services delivered to the community
- providing a robust and scalable digital platform that supports technological growth and progress in the city.

The libraries also play a key role in preserving and showcasing local history.

### Arts and culture

Hutt City has a nationally significant contemporary art museum in the Dowse as well as the public art gallery for Lower Hutt city. Opened in 1971, The Dowse has forged a reputation for presenting quality exhibitions and events with a special focus on craft and design. Today, the Dowse's programming is diverse and exciting, presenting works by local and international artists to a range of audiences.

Research shows that arts and culture are an essential part of any vibrant city that wants to develop and grow economically. A strong arts and culture sector attracts talented people who in turn develop entrepreneurial and innovative projects that contribute to economic growth. The Dowse is in an ideal position to lead the future development of a vibrant focal point within the cultural precinct of the city that integrates the gallery, park and street and effortlessly connects art with people, offering a diversity of visual art, leisure and learning experiences.

The Dowse is also in an ideal position to lead a drive in Hutt City towards innovation and creativity by developing and taking advantage of a new sustainable approach that builds on its foundations as a leader in contemporary art and its high level of engagement with the community. Green technologies and global communications will enable the Dowse to revolutionise its business and arts related practice while showing leadership in the museum sector and with the community, attracting the innovative thinkers and entrepreneurs needed to encourage economic growth.

Given the importance of the arts and culture sector to the development and growth of successful cities, we need to consider how best to invest in the Dowse to ensure that Hutt City is able to build on the drive towards a creative and innovative economy that is flexible and resilient.

### Open spaces and green reserves

It is likely that access to open spaces and green reserves will increase in importance as the make up of the population changes, particularly if the city focuses its growth ambitions on increasing housing density close to neighbourhood centres.

There will be a high demand for well planned open spaces with good walking and cycling links, particularly adjacent to those areas of intensified residential development focusing around key nodes including the city heart, Petone West, transport hubs and residential village centres.

Parks will need to provide a high level of public amenity and the recreational opportunities provided by the city's main asset - Te Awa Kairangi – better exploited. Greenways will need to be developed along street corridors, especially leading to Te Awa Kairangi and Petone Foreshore from the central and urban areas of Hutt City, to complement apartment living in the CBD for example.

The impact of continuing residential development on the Western Hills will need to be softened by protecting regenerating bush gullies and developing ecological corridors to link the bush areas of Belmont Regional Park.

Development of tourist or wilderness destinations will require continued work to return the coastal and harbour edges to their natural character.

The natural environment of the city is a strength and one that could be an important part of ensuring people are attracted to the city to live, work and play thereby increasing Hutt City's share of regional growth.



## 13 suburban shopping centres, streets of vibrant retail shops and a large super mall

<sup>1</sup> Taita North, Gracefield and Moera had the lowest rate of access to the internet, a fax machine and a telephone indicating that access is related to income.



We have a vision for our city ...



A city that represents a smart choice for working or investing.



A city that people are proud to live in.

A city where there is always something for families and their visitors to explore.



# VISION FOR THE CITY

We have a vision for this city's future. Our vision is that Hutt City will be a great place to live, work and play. This means:

**People are proud to live here**

Hutt City is compact, vibrant and diverse, offering the best of city living while being safe, friendly and easy to get around. There is quality education and healthcare, with a choice of housing options from apartments to family homes on the hillsides, in the valleys or near the coast.

**Working or investing here is a smart choice**

Our vibrant economy offers a range of job opportunities close to home. We've built on our traditional industries, created export opportunities, and cemented our reputation as a science centre. This is a place of new ideas, creativity and innovation, bringing together the best of the arts, industry and science.

**There's always something for the family to explore**

Experience our culture and heritage, visit our museums and libraries, or enjoy our cafes, restaurants and boutique stores. Head outdoors to a park or beach, walk along the river, take the boat out, hit the hills or a mountain bike trail, or enjoy a game of golf.



**250** playing fields in **28** sports grounds .

**DEVELOPING OUR NEIGHBOURHOODS AS PART OF OUR OVERALL VISION FOR THE CITY**

The neighbourhoods we know are part of the city we are.

The vision we have for the city takes a high-level view of the uniqueness of each neighbourhood, its people and communities, its natural environment and employment opportunities and the economic, cultural, social and environmental strengths within each neighbourhood we as a city need in order to develop a strategy for making the vision a reality.

Surrounded by hills and sea with a river flowing through, Lower Hutt offers residents a rich variety of places they can call home. Some of our residential villages are renowned for heritage and history by the sea, some are nestled amongst the hills and others are located centrally.

Working close to home is an option for Hutt residents with a number of significant employment hubs. These include commercial and light industrial at CBD and Petone Central, the medical sector at Boulcott, heavy industry at Seaview, and Avalon and Gracefield for science, technology and research. Smaller businesses and shops operate out of neighbourhood shopping centres and people work from home.

As destinations, visitors come for places that make Lower Hutt unique in the Wellington region - we have museums, seaside villages as well as a unique collection of galleries, cafes, restaurants and shopping experiences.

We also have neighbourhoods that serve as 'wilderness gateways' - visitors need not travel far to enjoy pristine natural forests, bush and the wild southern coastlines.

Not everyone is in the Hutt for leisure or work – residents and visitors participate in a wide range of sports. Places like Taita and Naenae boast regionally significant sports facilities. These neighbourhoods attract visitors and residents as sports destinations, including Walter Nash Stadium, Fraser Park and the Naenae Swimming and Fitness Complex. Hutt also has recreational green spaces including golf clubs, the Petone Recreational Ground and Hutt Park in Seaview.

Everyone who lives, works and plays in Hutt City has things they treasure and that are important to them, and our visioning exercises and local community plans highlight the opportunities we have to further develop our neighbourhoods by working together as citizens.

In combining these into one overall vision for the city, we've also considered the challenges we face over future growth and development of the city, and changes ahead related to leisure, recreation and wellbeing; literacy, education and technology; arts and culture; and open spaces and green space.

Opportunities for leisure and wellbeing include:

- maintaining and preserving the heritage character, culture and identity of Petone
- preserving the look and feel of the old parts of Alicetown to ensure continuation of a sense of place
- where possible combining Council facilities such as libraries, pools, community halls and community houses across the city into hubs for people to enjoy, revitalising and making these facilities more visible and better integrating them into their local community
- developing the Sportsville concept across the city to bring sporting clubs together to enjoy shared facilities
- encouraging the development of community/social services hubs
- enhancing areas that can be used for walking or recreational use, or as child or youth activity areas
- making safety improvements to support increased walking and cycling
- maintaining and improving community facilities
- beautifying neighbourhoods with public art where appropriate
- making parks more visible for community use and improving connections to surrounding residences, better use of existing pocket parks, and development of additional community and neighbourhood parks

Opportunities for growth and development include:

- CBD development incentives
- developing suburban shopping centres across the city to ensure these are attractive and meet the needs of locals
- events and installations related to science and technology
- developing tourism opportunities (Petone to Alicetown to Hutt Central) and creating local jobs (Wainuiomata wilderness gateway)
- developing lifestyle opportunities (western hills)
- opening up Homedale for development
- developing the Wainuiomata Hill lookout point and walkway
- developing a growth plan for Seaview Gracefield
- continuing with Making Places and Stepping Stones projects such as the Civic Square, Riverside Promenade, traffic precinct and civic centre improvements
- working with Port Nicholson Block Settlement Trust on development opportunities where they arise
- working with Housing New Zealand to develop housing opportunities in Taita and Pomare
- Petone West Plan Change
- investigating opportunities for better use of semi-industrial areas
- developing facilities for older adults in Wainuiomata

Environmental opportunities include:

- establishing visitor gateways or entrances
- enhancing visual connections to the sea
- developing Belmont Regional Park entry points
- investigating opportunities to develop the quarry next to Kelson into a park
- investigating opportunities to create national bird corridors
- general beautification activities

Infrastructure opportunities include:

- improving transport, roading and pedestrian connections, access and safety across the city
- improved or consolidated parking provision in Waterloo and Naenae
- flood protection
- improving pedestrian access to the Hutt and Wainuiomata rivers
- improving alleyway connections
- resolving traffic issues on The Esplanade
- improved pedestrian and cycle connections across the city including connections across the railway line, to the river and sea, and connections between neighbourhoods
- intersection improvements Witako/ Waterloo Road
- improving the walking environment and developing or enhancing walkways throughout the city
- stop bank works on Harcourt Werry Drive
- Western Hills to SH2 connections
- continuing Cross Valley Link investigations

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[www.huttcity.govt.nz/longtermplan](http://www.huttcity.govt.nz/longtermplan) has background information about these opportunities and a greater level of detail

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# STRATEGIES TO ACHIEVE THE VISION

From page 7 we outline the challenges we face over future growth and development of the city. We also comment on changes ahead related to leisure, recreation and wellbeing; literacy, education and technology; arts and culture; and open spaces and green space.

We've considered these issues in developing a vision for each of our neighbourhoods as part of our overall vision for the city.

We've also been working on the strategies that will help us to achieve our vision for the city. We have an overarching financial strategy supported by other strategies grouped under the headings of growth and development, leisure and wellbeing, environment and infrastructure.

FINANCIAL STRATEGY	ACTIVITIES INVOLVED
Outlines factors expected to have a significant impact on Council over the next ten years, expected changes in population and land use, costs of providing for those changes, expected capital expenditure on network infrastructure required to maintain existing levels of service, and other significant factors affecting Council's ability to maintain existing levels of service and meet additional demands for service	All Activities
GROWTH AND DEVELOPMENT	ACTIVITIES INVOLVED
CBD Making Places Vision Seaview Gracefield Wingate Development Plan Petone West Plan Change Urban Growth Strategy Economic Development Strategy	Economic Development Local Urban Environment Roading and Traffic Parks and Reserves Environmental Management
LEISURE AND WELLBEING	ACTIVITIES INVOLVED
Integrated Facilities Plan – will include integrated local area planning; potential hubs of facilities and consideration of the geographic spread of facilities; includes Community Halls and Houses	Museums Libraries Aquatics and Recreation Parks and Reserves Community Development
Active Recreation and Sport Strategy including our walking and cycling strategies	Aquatics and Recreation Parks and Reserves Roading and Traffic

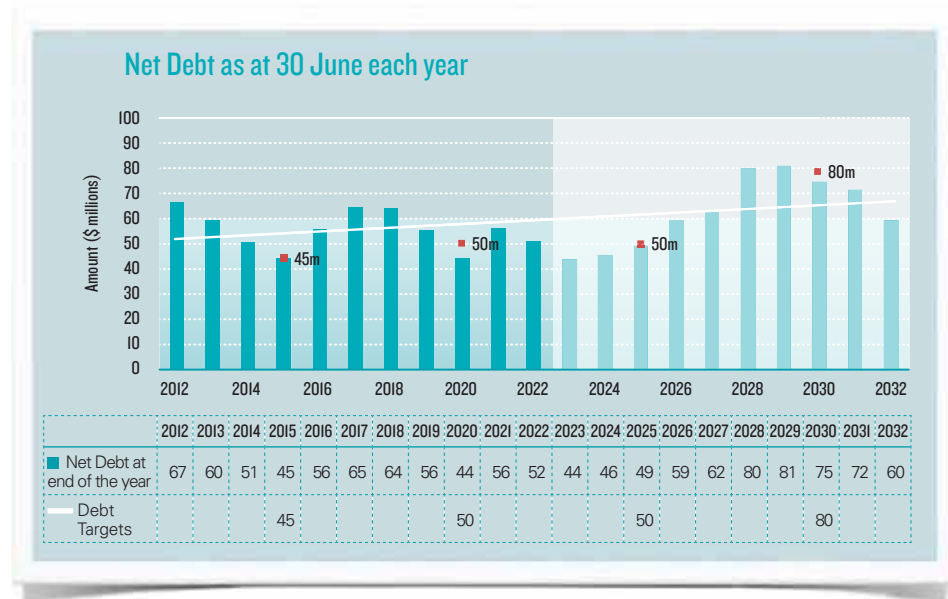
Community development initiatives affecting wellbeing: <ul style="list-style-type: none"> <li>• Children and Young People</li> <li>• Ageing Together Strategy</li> <li>• Settlement Support</li> <li>• Safe City</li> <li>• Disability</li> <li>• Gambling Policy</li> <li>• Social Housing/Housing Policy</li> </ul> Community Arts and Culture Policy Reserves Strategic Directions Heritage Policy Community Engagement Strategy	Environmental Management Emergency Management Community Development Aquatics and Recreation Parks and Reserves Local Urban Environment Advice and Support
ENVIRONMENT	ACTIVITIES INVOLVED
Literacy, education and technology Arts and culture	Libraries Museums
Environmental Sustainability Strategy Water Conservation and Efficiency Plan Waste Management and Minimisation Plan 2011-2017 District Plan Monitoring Programme Urban Forest Plan	Water Supply Stormwater Wastewater Solid Waste Local Urban Environment Environmental Management Parks and Reserves
INFRASTRUCTURE	ACTIVITIES INVOLVED
Organisational Infrastructure Asset Management Plan – one plan combining high level aspects of existing plans	Water Supply Stormwater Wastewater Solid Waste UrbanPlus Council Controlled Organisation Roading and Traffic

## Financial Strategy

### Our 2009 financial strategy

Our 2009 long term plan included a financial strategy with targets to reduce net\* debt to \$30m by 2015 (this figure was subsequently amended to \$40m), and to keep annual rate increases below the rate of inflation plus growth. The strategy also included targets covering the cost to deliver services, financial position, funding supply and financial risks. The strategy had a goal of strengthening Council’s financial position in anticipation of projects and programmes that will need funding in the next 20-30 years.

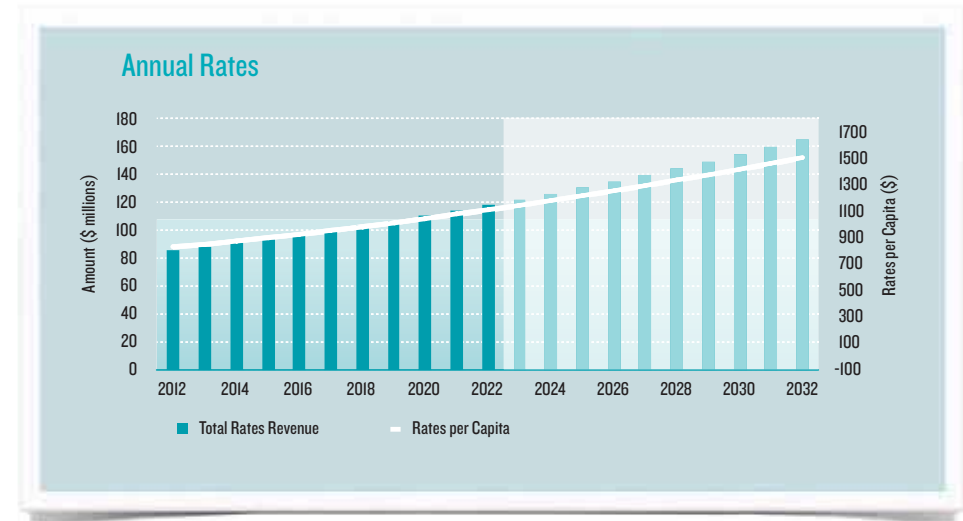
The current position is identified in the table of limits (page 19). While the financial position is good, our capacity to meet future requirements is a concern. This is illustrated by the graph below, showing the future capital spend as an increasing trend which pushes up debt.



Note: The years 2023 – 2032 have not been audited and are disclosed only to show a trend.

\*Net debt includes gross debt less cash and other cash investments

Council has measured its success by limiting rate increases and ensuring its rates were competitive when compared to local authorities with a similar population and a significant urban centre. Council also prides itself on delivering services at costs below our peer local authority average.



Note: The years 2023 – 2032 have not been audited and are disclosed only to show a trend.

### Our 2012 financial strategy

The goal of our 2009 strategy is still relevant today and we’ve continued this approach in our new financial strategy, which includes the same rates target, and targets to limit net debt to \$45m in 2015 (increased from \$40m to part fund earthquake strengthening of the civic buildings in Laings Road), \$50m in 2020, \$50m in 2025 and \$80m in 2030. We’ve retained other limits including keeping net debt per capita below \$1,000, which would equate to \$100m net debt, and limiting expenditure increases to the rate of inflation.

These elements continue in the new strategy, with additional limits placed on net debt and capital expenditure (spending that will increase the value of the city’s assets). These targets will create borrowing capacity for the next 20 years and enable Council to meet the demands for future infrastructure. The net debt levels are also kept at affordable percentages of total operational spend. Rate increases are set to ensure that rates remain affordable and move only as necessary to reflect inflation. These targets also apportion funding costs between current and future ratepayers. Keeping capital spend close to depreciation ensures Council is not building up large cash balances and is spending enough to maintain existing assets.

Affordability is important as we have a diverse population with varying levels of socio-economic indicators, and the current recession and global economy are impacting on all sectors of the community.

Council's current financial performance and position is identified in the table below based on the 2011 Annual Report.

In determining appropriate limits, we have considered existing limits, legal requirements (e.g. for debt and borrowing), and major business requirements and expectations.

LIMITS	MEASURE	CURRENT LEVEL <sup>1</sup>	TARGET
Overall operating result	Surplus each year	Surplus \$1.907m	Budgeted surplus
Limits on revenue	Increase in revenue from rates (quantified limit on rates and rate increases)	3.31% <sup>2</sup>	No more than Consumer Price Index (CPI) (inflation) plus growth
	Increase for the average ratepayer	2.58%	No more than CPI
	Fees and charges as a percentage of total revenue	21.1%	Increase towards 26%
Limits on operational expenditure	Operational expenditure growth	-9.6% <sup>3</sup>	No more than CPI per capita
Limits on borrowing	Net interest as a percentage of total revenue	3.4%	Below 10%
	Net interest to rates income	5.2%	Below 15%
	Net debt/income	55%	Below 150%
	Net debt/equity	6%	Below 20%
	Net debt per capita	\$702	Below \$1,000
	Net debt as a percentage of expenditure	55.5%	Below 50% of operating expenditure
	Net debt level maximum 2015, 2020, 2025, 2030	\$68.4m	2015 - \$45m 2020 - \$50m 2025 - \$50m 2030 - \$80m
Limits on capital expenditure	Average capital expenditure over three years compared to depreciation expense	83.25% (3 years to 2011)	Between 90% and 110%

1 All calculations based on 2010/11 Annual Report

2 Based on 2011/12 Annual Plan

3 Reduction due to some significant one off costs in the prior year

### Projected population changes

Statistics New Zealand is projecting limited growth, fewer young people and growing numbers of those over 65 for our city in the next 20 years. Households are projected to increase by 12 percent with little overall change to current socio-economic indicators. While growth is low, this provides minimal impact on existing infrastructure and services. But as the population ages we'll need to accommodate the changes this will bring. We're also considering how best to attract more development.

Council has developed an overall vision that identifies potential change in land use in some areas. The overall vision will help identify and determine service needs into the future. We're also starting to develop an urban growth strategy for the city.

At this stage these changes are not expected to have a significant impact on Council's ability to maintain current levels of service. Our financial strategy will help Council to be financially flexible and support its vision by positioning Council to respond to changing demand while maintaining appropriate limits on rates, net debt, return on investment and capital investment.

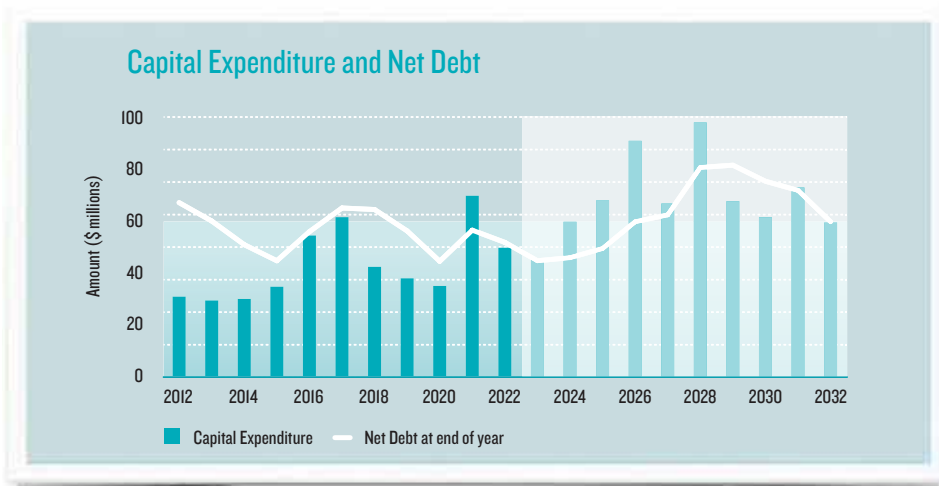
### Our legal obligations

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.

### Managing our assets and debt

A major part of our business involves managing over \$1.2 billion of assets from annual income of approximately \$130m. We use other funding sources such as debt and capital subsidies to fund the maintenance and development of our infrastructure and other assets.



Note: The years 2023 – 2032 have not been audited and are disclosed only to show a trend.

We use asset management practices to sustainably maintain service levels. Within the 20 year programme we've provided for some large replacements greater than \$10m with a few projects over \$20m. With a population of between 100,000 and 110,000, projects of these sizes can influence the cost to the community. It is therefore necessary to place some restrictions on capital spending.

As we need to balance the wants and needs of today with the demands and replacements required for the future, our objective is to maintain infrastructure and services at least at current levels, to ensure sustainable management of assets, to meet customer service demands and to 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 \$450m over the next ten years to maintain and improve existing assets. Of this, approximately \$25m is related to stormwater assets. Capital expenditure for the second ten years to 2032 rises to \$690m due to inflation and some large projects, e.g. potentially upgrading the main wastewater pipeline to Pencarrow.

The ability to maintain current levels of service may be affected if there is a change to regional governance arrangements. Water, wastewater, roading, stormwater and to some extent solid waste are less likely to be impacted, given the extent of regional management of the current operations. Our strong financial position and the direction provided by our financial strategy will enable Council to be responsive to any future changes in governance structure.

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.

We continue to set target levels for net debt and have introduced a target range within which to keep capital spending. The net debt levels are kept at affordable percentages of total operational spend. These targets also apportion funding costs between current and future ratepayers. Keeping capital spend close to depreciation ensures Council is not building up large cash balances and is spending enough to maintain existing assets.

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. 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've managed to achieve a net surplus from our operations almost every year. We'll continue to do this and use our surplus to help repay our debt and fund our capital programme. In recent years we've used asset sales to assist repayment of debt and this will continue but at a reducing level.

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.

See page 151 for the assumptions we've used in preparing the financial data that supports the financial strategy.

We fund operating expenditure (projects that don't result in either the creation of new Council assets or an increase in the values of existing assets) 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.

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. See page 180 for a schedule of fees and charges.

**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**

We secure our borrowing by way of a Debenture Trust Deed which provides security over our rating income.

**Council's objectives for holding and managing financial investments**

To have secure and cost effective funding sources available to meet the financial needs, Council maintains a level of liquidity and facilities to minimise financial risk.

Financial investments include short term deposits. Council uses on call and term deposits to provide returns on surplus daily cash.

Council obtains surplus daily cash from its rates instalments. 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.

Council seeks to keep its daily cash balance to less than \$100,000.

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 200 basis points above the cost to Council.

**Council's objectives for holding and managing equity investments**

Council has investments in Local Government Insurance Corporation (Civic Assurance), Smartlinx3 Limited, Capacity Infrastructure Services and several 100% owned CCOs. Council is also considering participating in the Local Government Funding Agency and will be consulting on this early in the 2012-2013 financial year.

**Civic Assurance**

With over \$1 billion in assets, Council needs to have appropriate safeguards in place to protect their value. Appropriate levels of insurance are maintained to safeguard Council from significant loss. 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 the Civic Assurance was created to fill a gap in the market and provide some level of surety for local government. While the organisation suffered loss through the New Zealand events in Christchurch, Council considers continued investment in Civic Assurance beneficial to provide the sector an alternative to the other insurance options.

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.

**Smartlinx3**

Part of the Council's Economic Development Strategy included the undertaking of a survey of businesses completed in early 2003, to understand broadband infrastructure needs in Hutt City. The survey indicated a large number of businesses had ongoing issues with either or both access to and the cost of broadband.

An outcome of the survey was the establishment of a business led, Council supported company (Smartlinx3). It was representative of businesses in Hutt City, Upper Hutt City and Porirua City, and the three councils.

Smartlinx3 has deployed broadband assets in the three cities and provided some competition to pricing of broadband services. However, the value of Council's investment in the company has diminished over time. Recently, new investment into the company by external organisations has improved prospects for growth.

A formal return on investment is not anticipated in the near future.

**Capacity Infrastructure Services**

This company is owned by Wellington and Hutt City Councils. The nature of the business of the company is to jointly manage the water services for these two councils and also for Upper Hutt City Council. 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.

**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 is considering investing in LGFA to help support the sector by providing a potential reduction in the costs of borrowing. While Hutt City Council's debt levels are relatively low, the LGFA also provides an additional borrowing source and potential savings in interest costs.

In addition, the LGFA will provide local authorities with increased certainty of access to funding and terms and conditions, including the potential access to longer funding terms, eg. longer than 10 years.

The return anticipated is through benefit of 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.

**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 as a facility 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 (100% owned CCO)**

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

Returns are forecast in the company's Statement of Intent.

**Hutt City Community Facilities Trust**

On 13 March 2012 Council agreed to a proposal to establish a charitable trust to manage and develop its leisure and community facilities.

Our objective for this Trust 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 Hutt City. This will include establishing a development fund to enable investment and improvement of community facilities, developing new or enhancing existing facilities, administering any facilities vested in the Trust, and providing strategic direction, expert advice and championing ongoing investment and development.

No return on investment is agreed at this stage.

## Growth and Development

Our strategies, policies and plans to promote economic wellbeing include those listed here.

### **CBD Making Places**

The CBD Making Places project has kicked off to transform the Lower Hutt CBD by 2030 by creating the foundations for a sustainable, vibrant, and buoyant future in our city. Making Places plays an important role to maximise the potential of our central business district by making it more attractive to businesses and residents. It will give developers and our community a strong direction to drive vibrancy and economic growth, and help to reverse the trends we face including an ageing population, low population increases and modest economic growth.

Making Places involves 200 potential projects that may take place over the next 20 years. Key projects include:

- Creating 'The Square' in front of the Dowse – this enhanced outdoor space will be the beginning of an arts and culture based precinct in the city, hosting family-based and arts-related events that will complement the Dowse
- Establishing a riverside promenade – we're looking at building a promenade to better connect the CBD to the Hutt River and support residential, social and economic activity on or near the riverbanks, and we're working with Greater Wellington Regional Council to integrate this vision with their planned floodplain and stopbank works in the CBD, planned for 2015–2016
- Understanding CBD transport and car parking – by modelling transport and parking options we can understand the future needs for walking, cycling, public transport, motor vehicle movement, and car parking, and with a base computer model set up we're now able to consider the effects of future projects in the CBD.

### **Vision Seaview Gracefield**

Vision Seaview Gracefield was prepared in co-operation with the business community, institutions and organisations and individuals with an interest in the future of Seaview Gracefield. A Work Plan has been prepared identifying projects to be undertaken that will implement the Vision and bring about desirable change within Seaview Gracefield to strengthen business viability and enhance the environment.

The four themes identified in the Vision were:

- Providing stability and efficiency to support existing businesses
- Creating a suitable environment for the growth of new/emerging businesses
- Making better use of recreational opportunities
- Contributing towards a better environment.

Projects included in the Work Plan from 2012 onwards include appointing a coordinator, developing a cycleway from Seaview Marina to Port Road, developing a design concept for an artwork or sculpture trail, installing street trees, establishing a truck park facility, reviewing the District Plan provisions affecting Seaview Gracefield, developing a Seaview Gracefield design guide, developing access to Seaview Marina beach, establishing a walkway/cycleway on the redundant railway siding, protecting the Port Road embankment and further investigating the Cross Valley Link.

### **Wingate Development Plan**

Council is encouraging economic development in the Wingate industrial area through working closely with the Wingate Business Group to implement the Wingate Development Plan. The final stages of the plan involve more tree planting to improve the appearance of the area.

### **Petone West Plan Change**

The Petone Vision statement, published in 2009, identifies the importance of proactive management, planning and investment for Petone's future prosperity. This includes the development of objectives, rules and other methods to protect the quality and 'look and feel' of Petone while providing for necessary development in the area.

Other factors identified as being important to the Petone community were increased opportunities for residents to work locally, more local businesses, an increased attractiveness of walking and cycling options, achieving a wider range of housing choice and supporting investment with attention to design quality.

With these factors in mind, a change to the District Plan will be open for submissions in July – August 2012. The Plan Change covers all land zoned General Business Activity Area and Petone Commercial Activity Area on the western side of Petone, extending from Cornish Street and Pito-One Road (western boundary) across to Sydney Street and Regent Street (eastern boundary).

The proposal is to transform the western Petone commercial/business areas into a Mixed Use Area, which would allow for a mixture of different activities in the area, and could include a combination of residential, commercial, offices, retail and restaurants/cafes.

### **Urban Growth Strategy**

A brochure entitled 'City of Lower Hutt New Zealand' produced for the Lower Hutt City Corporation circa 1965 states that– "Lower Hutt is one of New Zealand's oldest settled areas, but has developed rapidly during recent years, and for that reason is well laid out in accordance with modern town-planning practice. ...But nowhere is it drab, depressed or run-down. On the contrary it is a bustling, spacious, pleasant city..."<sup>1</sup>

<sup>1</sup> City of Lower Hutt New Zealand produced for the Lower Hutt City Corporation by the Thompson-Kitching Company and printed by Hutcheson, Bowman and Stewart Ltd, Wellington circa 1965

The vision we have for the city takes a high-level view of the uniqueness of each neighbourhood, its people and communities, its natural environment and employment opportunities and the economic, cultural, social and environmental strengths within each neighbourhood that we need in order to make this vision a reality.

Many cities, districts and communities in New Zealand have chosen to develop a growth strategy as a way of planning for the impacts of national and global trends and making their vision for their cities, districts and communities a reality. A growth strategy makes it possible for those cities, districts and communities to influence the type of growth that occurs as well as where it should happen, and to better plan for future investment in community infrastructure.

We have recently begun thinking about our growth strategy for the next twenty years and more, and we've done initial work on how our population might change and some of the possible implications.

#### *City and region*

Over the past decade Hutt City has seen relatively low population growth compared to the Wellington region and nationally. Along with other areas of the Wellington region, apart from Wellington city and Kapiti Coast district, we're only projected to see modest population growth in the years to 2031.

With growth mainly driven by Wellington city and Kapiti Coast, Statistics New Zealand is projecting that the region can expect to see average annual growth of 0.6%, with the population growing by around 75,000. Under the high series projections (which use higher birth rates, lower mortality rates and high net migration), the region would grow by 1.1% annually, with an increase of around 152,000 people by 2031.<sup>1</sup>

During the same period Hutt City is projected to see average annual growth of 0.2%, with the population increasing to just over 105,100. Population growth is also projected to be confined to specific areas of the city, such as Petone Central, Esplanade, Hutt Central, Maungaraki, Tirohanga, Belmont, Kelson, Naenae North and Waiwhetu South.

If our growth matched the average projected for the region, we would grow by an average of 0.6% a year, and by 2031 our population would be around 116,500.

Growth of 0.4% a year – a level that is half way between that projected for the city and that projected for the region – would see our population reaching around 112,000 by 2031.

To match the higher growth scenario projected for the region, our city would need to grow by 1.1% per year. If this happened, our population would reach around 131,500 by 2031.

<sup>1</sup> Statistics New Zealand produces three levels of population projections – low, medium and high – with the medium series considered the most likely to occur.

A further possibility is that our city doesn't grow. If birth rates fall further, we experience higher death rates and attract low numbers of migrants into the city, projections suggest that the population could fall by an average of 0.5% a year, reaching around 88,000 by 2031.

Although our population is expected to remain relatively static under the medium series projections, we still expect to see growth in the number of households to 2031. We expect to see considerable increases in the number of one person households, and an increase in the number of couples without children. These changes have many implications, for example, for planning the number and type of homes required.

#### *Some of our options*

Continuing with business as usual is likely to mean modest growth in the period to 2031. We will still need housing development and investment in the infrastructure of our city. Stimulating higher growth requires more action to attract a range of economic development and employment opportunities. One of the challenges we might face is planning growth so that we maintain and enhance quality of life in the city.

The disadvantages of low or no growth include less income to fund infrastructure and a loss in our share of government and regional investment in public facilities including schools and health care.

In seeking growth, we face some major issues - we have some greenfield land on the fringes of the city - in the Wainuiomata Valley, small pockets on the western and eastern hills and Stokes Valley - while most other areas are constrained by geography, mainly hilly terrain. In a way we're land locked, which means that large scale sprawl is not an option for us in the same way it is for some other cities, and any growth under the traditional 'sprawl' development patterns would be challenging to achieve.

Opportunities for commercial growth are limited in much the same way.

This leaves us with tough questions about whether we want growth and, if so, how this could be encouraged and accommodated.

If we aim for high growth, this could provide a number of benefits and economic opportunities for the community and for young people in particular, increased vibrancy of centres, the ability to provide higher levels of service to our citizens, and more people to share in the cost of running the city.

Pursuing higher growth is likely to require greater investment by Council, innovation in terms of attracting employment and opportunities, and partnerships with business. The possible disadvantages of high growth could include more traffic, higher density of development, and the loss of amenity sometimes associated with increasing density.

Setting a target somewhere between our expected growth and that expected in the region would also require ongoing investment and innovation to attract opportunities.



Continuing business as usual (modest growth) will mean less pressure to build new infrastructure. On the other hand, we will still need to ensure that the capacity and condition of our infrastructure, such as stormwater pipes and community facilities, is sufficient to meet our existing and future needs.

Even without much population growth, we're still likely to need additional homes, so not making provision to accommodate housing growth would mean increasing housing problems as well as lead to fewer people to add vibrancy, drive the economy or participate in community activities, and help pay for the costs of running the city.

Whatever direction our strategy takes, we will also need to consider whether we want growth across the city or concentrated in specific areas. One option could be to allow different scales of residential intensification ranging from infill housing, mainly stand-alone housing across the city, to strictly preserving our cherished family lot sizes and accommodating growth only in the CBD and Petone West.

### *Beyond Hutt City*

Underlying all these considerations and decisions are major global trends that will affect us. These include climate change, dwindling natural resources and related price increases, the ageing and changing nature of our population, as well as increasing urbanisation (it is projected that 75% of the world's population will live in cities or metropolitan areas by 2025), and technology driven service delivery.

Other external challenges that are likely to affect us at some point include asset price collapse, a slowing Chinese economy, the risk of pandemic, loss of biodiversity, terrorism and nanotechnology risks.

### *Next steps*

The principal benefit of developing an Urban Growth Strategy will be establishing a consensus on the city's growth goals and alignment across the community and Council. The Strategy will also enable:

- Identification of critical focus areas and opportunities for growth and
- Better coordination of planning and timing of infrastructure renewals and development.

The next steps will be:

- Identifying key principles/themes that will coordinate and guide the city's development
- Exploring how the city will develop and how Council together with its partners will cater for this
- Identifying and managing the implications of the strategy for a range of Council strategies, plans and services
- Ensuring Council develops a strategy that has widespread acceptance and commitment both politically and from the community.

Council hopes to have developed a draft strategy for community consultation by the end of September 2012.

### **Economic Development Strategy 2009-2014**

"To grow the wealth of the city" is our adopted outcome for economic development. The Economic Development Strategy 2009-2014 outlines important steps towards achieving a strong, diverse and enterprising business community with a focus on:

- More business activity happening in the city
- The city being recognised as a business location and vibrant city
- Continued investment in current and new business activities
- A strong entrepreneurial skilled and available workforce
- A more environmentally sustainable business community and economy.

## Leisure and Wellbeing

Our strategies, policies and plans to promote social and cultural wellbeing include those listed here.

### **Integrated Facilities and Services Plan**

In August 2011 Council agreed that an Integrated Facilities and Services Plan for Hutt City should be developed to include the role of community facilities and services in community development, leisure and wellbeing. The plan is to include:

- funding principles to be applied when considering funding options for facilities and services
- integrated local area planning that consolidates neighbourhood facilities and precincts
- the matrix of service that is expected of a community centre
- potential hubs of facilities or co-location with libraries, halls and houses, schools, sports facilities, aquatic centres, health centres and shopping centres
- a geographic spread of facilities.

This plan is being developed following the decision to establish a Community Facilities Trust for Hutt City.

### **Active Recreation and Sport Strategy 2007-2012**

This strategy focuses on how we'll help Hutt City residents to meet their active recreation and sport needs between 2007 and 2012. It takes into account that, while we're not the only provider of recreation and sport opportunities for the city, our historic role as a key provider of open space and facilities means we have a significant influence.

The Hutt City Sportsville project was developed following adoption of the strategy. The strategy will be refreshed following the decision to establish a Community Facilities Trust for the city, and in conjunction with the new Integrated Facilities and Services Plan.

### **Children and Young People's Plan**

We recognise that children and young people are valued members of our community now and in the future, and we're working to develop a Children and Young People's Plan in association with Youth Infusion (our Youth Council), the young people of Hutt City and the Ministry of Youth Development. The plan will identify ways in which we can contribute to the well-being of our children and young people to help them achieve to their full potential and play a positive role in their communities.

### **Ageing Together Strategy**

The Ageing Together Strategy looks at the key issues that affect older people in Hutt City, and identifies ways that we can work with the community to address them.

### **Settlement Support Strategic Plan 2010-2013**

The aim of the Settlement Support Strategic Plan is to support migrants, refugees and their families to access appropriate information and services in the Hutt Valley area. The Strategic Plan is driven by the Settlement Support Steering Group.

### **Safe City**

We have a number of Safe City initiatives and policies in place and we work with other organisations to make our city a safe place. We are part of the Safe Hutt Valley Project and are designated as a Safe Community by the Safe Communities Foundation, Karolinska Institute and the World Health Organisation. Our Safe Cities projects include the Safe Hutt Valley Strategic Plan 2011-2016, which outlines safety priorities and responsibilities for the Hutt Valley, and the Safe Public Places Action Plan, a crime prevention programme for Hutt City.

### **Sale of Liquor Policy**

We work with Police, Regional Public Health, ACC, Upper Hutt City Council, ALAC, the Fire Service and the Hospitality Association to manage public consumption of alcohol. This involves creating and policing liquor ban areas, event management, dealing with enforcement and licensing issues, alcohol accords and education activities. The Alcohol Reform Bill is expected to be enacted by September 2012. Our Sale of Liquor Policy will be updated to reflect any law changes that arise.

### **Disability**

The Hutt Valley became New Zealand's first 'No Exceptions' district as part of the government's No Exceptions Strategy and Implementation Plan. Becoming a 'No Exceptions' district means that partners ensure that our sport and recreation facilities, events, programmes and services are accessible and inclusive of disabled people. Our 'No Exceptions' district partners are Upper Hutt City Council, Hutt Valley District Health Board (DHB), Sport Wellington Region and SPARC.

Hutt City Council and the Hutt Valley DHB work with the Disability Advisory Group to ensure that the services we provide are as inclusive as possible. The Hutt Valley Disability Advisory Group is made up of individuals who have experienced disability, from whom we can seek a better understanding of the barriers that can prevent people with impairments from fully participating in city life. The Disability Advisory Group provides assistance to those involved in planning, funding, managing and delivering services.

### **Gambling Policy**

Hutt City Council has adopted a Gambling Policy to limit the number of Class 4 gaming machines (pokies) and venues, and to place restrictions around how and where TAB racing venues can operate. The Policy is due to be reviewed in 2013.

### **Social Housing/Housing Policy**

The availability of quality, affordable housing that is suitable for our changing population is a key issue for the city. The Housing Policy outlines how Council addresses these issues by encouraging residential development and investing in social housing for the elderly and socially disadvantaged.

The city's future housing needs will be considered in the development of the urban growth strategy.

### **Community Arts and Culture Policy**

With the creation of our Community Arts and Culture Policy, we recognise the role community arts and culture plays in enriching the lives of residents and visitors to Hutt City.

The objectives of the Policy are to:

- Encourage collaborative arts initiatives between organisations and community groups across the city
- Ensure accessibility so that every person in Hutt City has the opportunity to engage in community arts activities
- Ensure local community arts and culture is visible, enduring, and celebrates the uniqueness of Hutt City.

### **Reserves Strategic Directions**

Hutt City's green spaces are part of what makes our city special. Parks and reserves help preserve the city's natural beauty and provide opportunities for a wide range of recreational activities. Due to be reviewed in 2012-2013, our Reserves Strategic Directions outlines priorities for the development and management of the city's parks and reserves network.

**Heritage Policy**

Our Heritage Policy is currently being reviewed to take account of a wide heritage focus that may include built, cultural and natural heritage.

**Community Engagement Strategy**

Our Community Engagement Strategy outlines our commitment to engage the communities of Hutt City to meaningfully participate in shaping Hutt City’s services, facilities and policies.

The Strategy guides the interaction between Council and the community undertaken for democratic decision-making, and the ongoing engagement with the community in the spirit of partnership. It summarises at a high level:

- Our community engagement goals
- The main types of engagement we undertake
- How engagement relates to the decision-making process, and how the public can be involved with the decision-making process
- Our approach to community partnerships
- Our commitment to engaging Māori as a treaty partner
- Key opportunities for improving our community engagement.

**Literacy, Education and Technology**

We provide library services to enable all citizens to access information, knowledge and learning opportunities that support and strengthen individuals and the community. Libraries are leading the way in terms of introducing and using new technology to make it easier for customers and residents to do business, engage and communicate with them.

**Arts and Culture**

The Dowse Art Museum and the Petone Settlers Museum offer their many communities a range of experiences. Drawing on the wealth of cultural and social capital in our communities, the Dowse brings innovative approaches to the delivery of social and educational benefits, and is highly effective as an educational instrument for community development. Petone Settlers Museum occupies one of New Zealand’s most significant memorial buildings – the Wellington Provincial Centennial Memorial. The memorial was built to commemorate the arrival of the first British immigrants on Pito-one’s shores in 1840. Serving also as a bathing pavilion, the Wellington Provincial Centennial Memorial was officially opened on 22 January 1940 and became the heart of Petone’s thriving beach scene. The database at the Settlers Museum allows users to access primary and secondary source data relating to arrivals from the United Kingdom, parts of Europe and Australia to Wellington (Wellington only and Wellington as first port of call) between 1839 and 1897.

**Environment**

Our strategies, policies and plans to promote environmental wellbeing include those listed here. See also page 50 for environmental policies we consulted on in 2012.

**Environmental Sustainability Strategy 2009-2014**

Our community has indicated that environmental sustainability should be a top priority. The Environmental Sustainability Strategy 2009-2014 was adopted with the purpose of identifying major environmental sustainability issues for the city and developing actions for responding to these; and positioning us as a leader in environmental sustainability within the community.

The strategy’s main focus areas and the overall goal for each are:

FOCUS AREA	OUR GOAL
Waste	Move towards zero waste
Transport	Transport choices that reduce fuel use and offer better health and safety
Energy	Energy that does not compromise tomorrow
Water	Ensuring water for the future
Urban Form	A city that sustains us and the environment
Biodiversity	Flourishing environments, thriving with local native plants and animals
Council	An environmental sustainability leader within the community

**Urban Forest Plan**

The Urban Forest Plan sets out objectives and policies for managing vegetation in our bush reserves, urban reserves and street trees citywide. There are three main focus areas in the plan:

- Bush Reserves: to protect and maintain native vegetation and to improve the ecological connectivity to support biodiversity
- Urban Reserves: to provide large specimen trees in urban areas
- Street Trees: improving the quality of street trees in Hutt City by 2030.

**District Plan Monitoring Programme**

Monitoring the District Plan is an integral component of the Council’s overall Monitoring and Research Strategy. Our reason for undertaking monitoring and research is to influence decision making and planning, improve the development and delivery of services, and support wider learning and accountability in relation to the Council’s activities and outcomes.

The purpose of the programme is to set out the framework for monitoring the District Plan. It sets out a rationale for monitoring and research, Council's legislative requirements, the data to be collected and reporting needs, as well as the overall responsibilities for implementation.

### **Waste Management and Minimisation Plan 2011-2017**

The city and district councils of the Wellington region have prepared and adopted a joint Waste Management and Minimisation Plan. The plan represents a commitment by each of the councils to work together to promote effective and efficient waste management and minimisation. It outlines the strategy for the region, a regional action plan, individual council action plans, and supporting information.

Our action plan includes:

- our participation in and support for regional waste minimisation initiatives including supporting regional efforts to advocate for product stewardship schemes, increasing the waste levy, strengthening the regulation for clean-fill operators and licensing of waste operators
- continuing existing activities including waste minimisation projects and education/networking with schools and businesses, community waste minimisation events/projects, litter and recycling collections, landfill operation and aftercare, recycling and hazardous waste facilities, wastewater treatment, waste reduction at council facilities, and ongoing monitoring and reporting on waste.

## **Infrastructure**

Our Asset Management Plans set out how Council delivers its asset-based services to the standards expected by customers, at the most competitive cost to customers, through management of assets in a way that is sustainable in the long term, and in compliance with legal requirements.

The Asset Management Plans comprise four key elements - the service standards which Council aims to achieve, the asset system used to achieve the service standards, the life cycle of asset management strategies (which set out how Council manages the assets), and quality assurance processes.

Service standards set out the services to be delivered and the targets Council aims to achieve in their delivery. Target service standards include customer service, legislative, technical and environmental standards.

Customer service standards look at services from a customer's perspective. Council customers have been consulted about some standards, major projects and issues such as the fluoridation of the Petone water supply, and the Trunk Wastewater System (which includes the Seaview Wastewater Treatment Plant and network operations).

Technical and environmental service standards are determined by legislation, industry and environmental best practice and in consultation with local community special interest groups, iwi and central government agencies.

The asset system describes the assets Council uses to deliver the services. It includes a high level summary of the asset's condition, an assessment of the asset's service capabilities and a forecast of the future demand for the services.

Life cycle management covers the four key strategies necessary to deliver the required service standards - a management/monitoring strategy, a maintenance/operations strategy, an asset renewal strategy, and an asset development strategy. The first three strategies maintain the service capability of existing assets, while the asset development strategy aims to close gaps between the current service capability and target service standards. Financial programmes associated with the four strategies are fed into Council's long term financial planning.

Quality assurance sets out how Council evaluates its asset management planning processes against industry best practice. This can be through evaluation of Council's asset management planning against accepted criteria, and/or through internal and external reviews. Recent evaluations have indicated that Council's asset management planning generally compares favourably with best practice elsewhere in New Zealand.

Projections in the Asset Management Plans of the future demand for asset-based services include assessments of the impacts of predicted climate change on these services where these may be significant. For example, allowance has been made for a hotter and drier climate in projections of the future demand for water supplies in the city.

### **GROUPS OF ASSETS MANAGED BY COUNCIL**

#### **Community Assets**

Council manages the community's cultural, social and recreational assets in the form of libraries, pools, parks, Council-owned property and museums. These assets are maintained to agreed levels of service set out in the Asset Management Plan.

To not only ensure the ongoing maintenance of various community facilities, e.g. Walter Nash Stadium, but to also improve the overall quality, Council has explored new ownership and management structures for these assets. Council believes these new structures have the potential to improve the overall quality of the assets as well as provide for greater local community support of them.

### **Swimming Pools**

With six pool complexes available, Council endeavours to maximise benefit to a wide cross-section of the community by providing aquatic recreational, learning and fitness programmes.

The Asset Management Plan aims to maintain these important recreational facilities to meet community need and demand. The Plan identifies maintenance and replacement programmes, aimed at ensuring the continued running of safe, efficient and enjoyable aquatic facilities.

### **Land and Buildings**

Council provides community buildings such as libraries, halls and toilets as well as social rental housing through Urban Plus Limited to:

- Ensure local communities have access to venues for recreational, cultural and governance activities.
- Provide well maintained and safe living environments for tenants that are affordable and meet their needs.
- Be a contributor to the community's housing needs.

The portfolio comprises:

- Community and civic halls and venues.
- Library buildings.
- Public toilets.
- Community houses.
- Council's administration building.
- Housing units for the elderly and socially disadvantaged.
- Vacant land.

The portfolio is progressively reviewed to ensure that it is used efficiently and meets the needs of identified internal and external clients.

Vacant land properties identified by Council for possible disposal go through the appropriate consultation and statutory processes, and Council approvals. Following these processes and approvals, those properties determined by Council to be available for sale will either be transferred to Urban Plus Limited for development and/or disposal, or sold to other parties in accordance with the relevant statutory processes and Council decisions.

The company undertakes Condition Assessment Surveys annually to:

- Review the condition of the asset for assessing capital expenditure and maintenance costs.
- Determine whether the asset can maintain the required level of service.
- Collect information for development of financial forecasts for Long Term Plan and associated funding applications.
- Update and improve the Asset Management Plan.
- Deliver ongoing service to internal and external customers.
- Adhere to Risk Management processes.

The financial programme for capital expenditure, renewals and operating expenditure is based on these inspections and the projection of each asset's remaining useful life.

Demand for rental housing for the elderly will increase in the future and Urban Plus Limited is, with Council, already beginning to plan for increases in the number and nature of housing units. This planning also involves other agencies and organisations already involved in providing accommodation and services for the elderly and socially disadvantaged.

### **Parks and Reserves**

The city has 5,305 hectares of parks and reserves, the majority of which is bush reserve. The plan focuses on maintaining parks infrastructure including sports grounds, children's playgrounds, public toilets, tracks, car parks, wharves, cemeteries and horticultural parks.

Greater Wellington Regional Council is responsible for managing Council-owned land that falls within the boundaries of a regional park. This allows the integrated management of land forming part of the East Harbour Regional Park and the Belmont Regional Park.

No major issues have been identified that will affect the parks Asset Management Plan in the short to medium term.

### **Infrastructural Assets**

Council manages the community's infrastructural assets including roading networks, landfills, water supply, stormwater and wastewater collection and treatment. These assets are maintained to agreed levels of service set out in the Asset Management Plan.

### **Roading and Traffic**

The road network provides for safe, reliable and efficient travel throughout the city. Levels of service are defined in the Asset Management Plan and achievement against these is measured through the Communitrak survey. The asset comprises roads, bridges, footpaths, street lights, traffic improvements (for example, traffic lights, roundabouts, kerb extensions) and barriers.

The overall condition of the network can be determined accurately owing to the visible nature of the assets. Specialist consultants carry out annual condition rating surveys, the results of which are used to identify current maintenance needs. Pavement deterioration modelling is also undertaken to ensure levels of service will be maintained over the longer term.

Extensions and improvements to the network are achieved through:

- Subdivisional development work, primarily around the perimeter of the current network.
- Improvement projects within the existing network that are ranked in terms of benefit/cost analysis, the benefits being achieved through travel-time savings or safety enhancements.

A seismic review has been undertaken on the city's bridges to determine which would be damaged in the Wellington Lifelines Group's one in 250 year regional earthquake. With the completion of seismic strengthening work on the Estuary and Melling bridges, all four bridges across the Hutt River now meet the required standard. Attention has shifted to the remaining smaller bridges that have been identified as being "at risk". It is hoped that this work would significantly reduce the disruption to movement around the city in the event of a major earthquake.

Generally traffic growth has been relatively low in recent years at less than 1% p.a. and this low growth is not expected to change markedly. Conversely it is expected that freight volumes will double over the next few decades. As the Seaview Gracefield area is the Wellington region's primary industrial and logistics centre, investigations into improved linkages with SH2 continue.

### **Water Supply**

Through the supply of water to residents and businesses, Council contributes to the health of the community, and to community safety through the fire-fighting capability of the water supply system.

Council purchases bulk water from Greater Wellington Regional Council and distributes it to the community through the water supply system, which comprises 24 reservoirs, 13 pumping stations and 683 km of underground pipelines. The water supply network throughout the city is in satisfactory condition and performs well even at peak demand periods.

The areas that require improvement are as follows:

- Additional capacity for subdivision or development of land.
  - Additional capacity in the network is required for subdivision or development of land throughout the city. The recent upgrading works in Upper Belmont/Sweetacres will provide water to the new subdivision, improve supply to existing customers and facilitate further development.
- Improving emergency response and contingency planning. This comprises:
  - Maintaining storage in reservoirs.
 

There is an ongoing programme to upgrade and improve the structural integrity of reservoirs to meet minimum seismic requirements identified in recent and continuing seismic investigation studies. The work will help improve the availability of supply after an earthquake. There is an ongoing programme to install auto shut-off valves at key reservoirs.
- Improving reliability of the water supply.
  - There is an ongoing programme to install bulk link mains in the city to improve the reliability of water supply to customers. Stage One of a link main connecting the Hutt Road and Western Hutt Road water supply systems was installed in Petone in 2003/04. Stage Two has been completed in conjunction with the upgrading of SH2 by the NZ Transport Agency. Link mains in Kelson/Fairway Drive and Tama Street/North Street are budgeted in 2012/13.

### **Stormwater**

Through the provision of a stormwater drainage system to manage surface water run-off from urbanised catchments Council:

- Contributes to the safety of the community by minimising the incidence of flooding.
- Minimises property damage from flooding and thus supports the economy of Hutt City.
- Provides a cost-effective stormwater system, which supports development in Hutt City.

The stormwater network comprises a primary system of 546 km of pipes, 27 km of open drains and canals, and 14 pumping stations. Retention dams, streams, and a secondary system of overland flowpaths contribute to a generally satisfactory level of flood protection in the city.

The majority of the open watercourses maintained by Council perform satisfactorily, and in recent years Council has undertaken substantial upgrading of the Opahu Stream.

- The management of the stormwater system is focused on renewing existing assets that have reached the end of their useful lives. Opportunities to increase levels of flood protection for the community are integrated where possible, and upgrading projects are considered annually to mitigate flooding hotspots throughout the city.
- Renewal of pipes: The renewal of piping assets, while ensuring that the stormwater infrastructure is being maintained at an acceptable level, also enables Council to provide increased piping capacity in line with current urban design standards. Traditionally stormwater piping standards, within Hutt City and throughout the country, have been designed with sufficient capacity for a five-yearly rainfall storm. Current design standards, however, are aimed at providing stormwater piping to have sufficient capacity for a 10-year rainfall storm. Therefore, as the pipe renewal work progresses the standard of stormwater protection will gradually increase across the city.
- Flood protection works in Black Creek (involving the replacement of the Fitzherbert Road bridge) were undertaken in 2011/12 at a cost of \$1.64m.
- To reduce the incidents of flooding, Major Drive stormwater upgrades were undertaken in 2011/12 at a cost of \$633k.
- Beginning in 2011/12 a 10 year programme to upgrade the Awamutu Stream is being carried out at an estimated cost of just over \$6m.

### **Wastewater**

Through collecting, treating and disposing of wastewater, Council provides a service to residents and businesses which supports development in the city and protects the physical environment and health of the community.

Wastewater is collected by the local wastewater system (which consists of 573 km of pipes and 25 pump stations) and delivered to the Trunk Wastewater System.

The Trunk Wastewater System comprises 104 km of trunk pipes, 19 pump stations, two peak flow storage tanks, the wastewater plant at Seaview and the outfall at Pencarrow. The wastewater treatment plant at Seaview, commissioned in 2001, has produced significant improvements for the city environment.

- \$11m has been set aside to investigate and rehabilitate joints and failures in the main outfall pipeline.

Parts of the wastewater network, however, are still subject to overloading with inflow of stormwater and infiltration of groundwater during heavy rain. This can result in overflows of diluted wastewater from the system. These overflows can be detrimental from health, environment and social perspectives. They are also culturally unacceptable.

Council has a comprehensive strategy in place to reduce incidences of overflow from the system. This comprises:

- Reducing wet weather flows by reducing:
  - Infiltration in Council drains. There are ongoing programmes to replace every pipe in the city over the life cycle of the pipe.
  - Inflow and infiltration from private drains. Private drains are a significant contributor to wet weather overloading and community co-operation is required to resolve the issue.
- Providing storage to accommodate wet weather loading.

#### **Assumptions, Uncertainties and Risk for Financial Estimates**

The financial programme for renewal of water supply, stormwater and wastewater assets is based on projections of useful lives and the replacement value of the system. For above ground assets physical inspection can be carried out to ascertain the useful lives. Useful lives of underground assets are determined by a combination of physical inspection and condition modelling.

Errors in asset valuations can lead to the asset renewal programme being under- or over-funded. Significant errors in assessing useful lives of assets will impact on the timing of renewal works but not on the total renewal programme over the life cycle of the assets. To reduce the risk of errors occurring, a quality assurance system is in place to ensure the accuracy of the asset register. In addition, asset valuations are carried out by independent valuers and are subject to audit.

According to current modelling output, annual costs for the renewal of water pipes will likely increase over the next 10 - 20 years, reflecting the age profile of the water network. More work will be carried out to update the model.

Generally the useful lives of assets are consistent with the International Asset Management Manual. But in some cases adjustments have been made when experience shows that the remaining lives are shortened or extended by local conditions.

# OTHER POLICIES

## THESE STRATEGIES ARE SUPPORTED BY COUNCIL POLICIES INCLUDING:

**Revenue and financing policy** – identifies how Council allocates the costs of its activities against available sources of funds, including rates and user charges. This policy was reviewed in 2012 – see the full text of the draft policy below.

**Hutt City development charges remissions policy** – outlines details of a two year city wide fees remissions package as part of an initiative aimed at stimulating development in the city – see page 46 for the full text of the policy.

**Significance policy** – guides Council when making decisions of varying importance to the community, and lets the community know what to expect in terms of consultation. See page 47 for a summary of the policy.

**Policies on development and financial contributions** – describes the contributions Council will require from developers when their property developments increase demand for council services. Small changes have been made to the policy on development contributions to update the fees payable and the demand loadings, which affect the charges payable for non-residential developments.

## Revenue and Financing Policy

### 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.

This policy should be read in conjunction with the Funding Impact Statement contained elsewhere in this Long Term Plan (and in Council’s Annual Plan in later years). 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?

Council uses a two-step process when deciding how it will fund its activities, and who will pay.

### Step One: Activity by Activity allocation of costs.

#### Considerations:

- Community outcomes
- Who benefits?
- What generation of ratepayers benefits?
- Who causes the costs?
- Administrative feasibility of charging?

#### Funding tools:

- General rates
- Targeted rates
- Fees & charges
- Investment income
- Borrowing
- Asset sales
- Development contributions
- Grants & subsidies

### Step Two: Council judgement on overall impact on community of funding allocations

#### Considerations:

- Social, economic, environmental & cultural wellbeing
- Rates affordability for households & businesses

#### Tools:

- Rates differentials
- Extent of fixed charges
- Extent of user charges

### Step One

Step one of the process is an activity-by-activity allocation of costs based on a range of considerations, including who benefits and who causes the costs.

From this assessment, the most appropriate funding tools are identified. For example strong public benefits from an activity might indicate funding by rates, while strong private benefits might indicate user charges.

The matters that are taken into account in step one are largely determined by the Local Government Act 2002 (LGA).<sup>1</sup> The main considerations are outlined below.

1. Specific requirements are: Local Government Act 101 (3) The funding needs of the local authority must be met from those sources that the local authority determines to be appropriate, following consideration of,—(a) in relation to each activity to be funded,—

- the community outcomes to which the activity primarily contributes; and
- the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals; and
- the period in or over which those benefits are expected to occur; and
- the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity; and
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities;”



### *Distribution of Benefits*

The LGA requires Council to assess the benefits from each activity flowing to the community as a whole, and those flowing to individuals or identifiable parts of the community. Some terms that are useful in describing who benefits from a particular service are:

*Non-rival* – the enjoyment of a benefit by a person does not prevent the benefit being enjoyed by other people at the same time. An example is street lighting. Rival has the opposite meaning.

*Non-excludable* – no person or group can be prevented from enjoying the benefit. An example is beaches. Excludable has the opposite meaning and implies that users could be identified and potentially charged.

*Public goods* – goods or services that can often only be supplied by the community, and are usually both non-rival and non-excludable.

*Private goods* – at the other extreme are pure private goods that have the opposite characteristics – rivalry and excludability. If the service provided by the Council benefits identifiable parties and the costs related to the service can be allocated directly to them, such services are called private goods.

*Positive externalities* – The use of private goods and services can also result in benefits to third parties – people who don't directly use them. These are called 'spill over effects' or 'positive externalities'. Council activities with these characteristics are sometimes also called "merit goods" where Council considers that the service should be provided on the basis of need rather than willingness to pay, or benefits received. The differentiation of private and public goods and the identification of externalities are necessary for the strict apportionment of the costs between private users and the community as a whole. Sometimes such differentiation is not easy, because very few goods and services can be treated as purely private or public; most goods and services have characteristics of both private and public goods.

### *Period of Benefits*

The LGA requires Council to assess the period over which the benefits from each activity will flow. This in turn indicates the period over which the operating and capital expenditure should be funded.

Operating costs are directly related to providing benefits in the year of expenditure for all activities. As such, they are appropriately funded on an annual basis from annual revenue.

Assets purchased from capital expenditure provide benefits for the duration of their useful lives. Useful lives range from a few years in the case of computer equipment through to many decades for infrastructural assets such as pipe networks. This introduces the concept of intergenerational equity. Council considers that benefits occurring over time should be funded over time. This is particularly relevant for larger capital investments such as the wastewater treatment plant, bridges, landfills and so on.

### *Exacerbator Pays*

The LGA requires Council to assess the extent to which each activity exists only because of the actions or inaction of an individual or group. Examples are fixing a chemical spill, dog control, littering and parking fines.

Sometimes known as polluter pays, this principle aims to identify the costs to the community of controlling the negative effects of individual or group actions. The principle suggests that Council should recover any costs directly from those causing the problem. Most activities do not exhibit exacerbator pays characteristics. This heading is only included in the analysis of those activities which do demonstrate such characteristics.

### *Costs and Benefits of Distinct Funding*

The LGA requires Council to consider the costs and benefits of distinct funding for each activity. This section is interpreted as requiring Council to consider the costs and benefits of funding each activity in a way that relates exclusively to that activity. An example of this would be funding swimming pools entirely from user charges, or refuse collection from a targeted rate. The consideration of the costs and benefits of distinct funding must include the consequences of the chosen funding method for transparency and accountability.

Funding every activity on such a distinct basis would be extremely administratively complex. For some activities the quantity of rates funding to be collected amounts to only a few cents per ratepayer. The administrative costs and lack of significance lead Council to fund most activities by way of a general rate.

### *Step 2*

The second step in the process is for Council to assess the overall impact that the funding allocation identified in step one has on the community, and consider if any changes are needed.<sup>1</sup> Considerations might include, for example, the ability to pay of low income households, or the fair treatment of the business sector balancing ability to pay and benefits actually received.

## **STEP ONE ASSESSMENT**

The main sources of funding for Council's activities are outlined below, along with a summary of the step 1 matters taken into account when determining why these funding sources should be used and who should pay.

A more detailed discussion of the use of funding tools and the reasons for the allocation of costs to various sectors of the community for each activity is provided in Appendix 1.

<sup>1</sup> Specific requirements are: LGA 101 (3) (b) the overall impact of any allocation of liability for revenue needs on the current and future social, economic, environmental, and cultural well-being of the community.

## 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. In these cases, all ratepayers pay towards the cost of the activity. Where the activity also provides private benefits, the 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, for example, one sector should be carrying a greater or lesser proportional share.

However, for the Roding and Traffic activity, 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. For the same reason, Stormwater general rates are also weighted towards the business sector.

To achieve the weighting of general rates allocation towards the business and utility sectors in these cases, Council increases each sector's assumed share of the overall capital value of the city. The rate payable on each category of property is expressed as each sector's rate in the dollar of capital value as a ratio of the residential rate in the dollar of capital value. This is described as 'the differential factor'.

The result is the following "step 1" differential factors:

- Residential 1.0
- Business 2.3
- Business Central 2.3
- Utility Networks 2.1
- Rural 1.0
- Community Facilities 3 2.3

Interpreting these differential factors above, we see that in order to achieve Council's desired step one allocation of costs, the business rate in the dollar of capital value needs to be 2.3 times the residential rate in the dollar of capital value.

Appendix 2 provides more detail of Council's operating costs, the allocation of general rates costs to various sectors of the community (such as residential and commercial ratepayers), and how the above differentials are calculated.

It is worth noting that the business (previously called "business suburban"), business central, community facilities, utility networks and rural differentials above are different from the differentials applied previously.

### 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 noncompliance 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, interest received or dividends, proceeds from asset sales, or development or reserve contributions to help fund operating expenditure.

### Summary of how activities are funded

The table on the next page summarises the funding sources for each of Council's activities, including a summary of how any rates are levied. Further information is provided in Appendix 1.

**Summary of activity-by-activity funding charges levied**

ACTIVITY	OPERATIONAL FUNDING SOURCES			
	GENERAL RATES	TARGETED RATE	USER CHARGES, SUBSIDIES & OTHER SOURCES	
Libraries	<ul style="list-style-type: none"> <li>Primary funding source</li> <li>Recovered from each sector (Residential, Business, Utilities, Rural and Community Facilities) in line with each sector's share of the city's capital value (i.e. no rating differential)</li> </ul>		<ul style="list-style-type: none"> <li>Some</li> </ul>	
Museums			<ul style="list-style-type: none"> <li>Some</li> </ul>	
Aquatics & Recreation			<ul style="list-style-type: none"> <li>Some</li> </ul>	
Parks & Reserves			<ul style="list-style-type: none"> <li>Some</li> </ul>	
Community Development			<ul style="list-style-type: none"> <li>Minimal</li> </ul>	
Environmental Management			<ul style="list-style-type: none"> <li>Some</li> </ul>	
Emergency Management			<ul style="list-style-type: none"> <li>Some</li> </ul>	
Elected Members				
Advice & Support				
Managing Services				<ul style="list-style-type: none"> <li>Some</li> </ul>
Economic Development			<ul style="list-style-type: none"> <li>Jackson Street - separate targeted charge based on capital value of property</li> </ul>	<ul style="list-style-type: none"> <li>Some</li> </ul>
Local Urban Environment		<ul style="list-style-type: none"> <li>Recycling fixed charge / residential property</li> </ul>		
Roading & Traffic	<ul style="list-style-type: none"> <li>Primary funding source</li> <li>Recovered with a differential weighting on the business and utilities sectors</li> </ul>		<ul style="list-style-type: none"> <li>NZTA subsidies</li> </ul>	
Stormwater	<ul style="list-style-type: none"> <li>Primary funding source</li> <li>Recovered with a differential weighting on the business sector</li> </ul>		<ul style="list-style-type: none"> <li>Some</li> </ul>	
Solid Waste			<ul style="list-style-type: none"> <li>Net income generating</li> </ul>	
Water Supply	<ul style="list-style-type: none"> <li>Minimal</li> </ul>	<ul style="list-style-type: none"> <li>Primary funding source - fixed charge per property</li> </ul>	<ul style="list-style-type: none"> <li>Some</li> </ul>	
Wastewater	<ul style="list-style-type: none"> <li>Minimal</li> </ul>	<ul style="list-style-type: none"> <li>Primary funding source - fixed charge per pan</li> <li>Private drains charge per property receiving work</li> </ul>	<ul style="list-style-type: none"> <li>Some</li> </ul>	

## FUNDING OF CAPITAL EXPENDITURE

Council funds capital expenditure 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 Policy.

In some cases, Council's overall borrowing requirement is reduced to the extent that 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.

## STEP TWO

The second step in the process is for Council to apply its judgment to the overall impact on the community of the funding allocations determined in step one, and consider if any adjustments are needed.

In exercising this judgment, Council has 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 and average income households.
- The impact of rates and rates increases on businesses and on the competitiveness of Hutt City 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. In this regard, Hutt City has considered the impact of the rating system on the Westfield Queensgate shopping complex, which makes up a significant proportion of central city commercial capital value.
- 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.

Shifting the differentials for each sector's share of the city's overall capital value is the principal means of achieving the desired overall rates impact on the wider community.

Council has chosen to make four adjustments to the funding allocations identified in step one. These are 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. This requires only a small adjustment to the utility network differential from 2.1 to 2.3
- Apply a ten-year transition period for the changes needed to business, business central, community facilities, utility networks, and rural sector general rate differentials. The transition period is needed because the changes to the differentials (compared to current differentials) will result in a significant shift in rates incidence between different sectors of the community. In particular, the share of rates recovered from the business and utilities sectors will fall, while the proportion of rates to be recovered from the residential and rural sector will rise.

The calculation over the 10 year period would include a 10% shift each year on a straight line basis towards the target set in 2012-2013. The calculation would also consider budget changes and revaluations, which affect each sector's share of the city's capital value.

## APPENDIX 1

## 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)
<b>Libraries</b>			
<p>Council provides, maintains and manages eight libraries in the city. These are run as a single city-wide service. Their primary role is to provide written and recorded material such as books, audiovisual resources and access to online information. Library services are used for many purposes including learning, research and entertainment.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• A safe community</li> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Healthy people</li> <li>• Actively engaged in community activities</li> <li>• Strong and inclusive communities</li> </ul>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> While there are identifiable private benefits from the provision of library services, the 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><b>Who pays:</b> No particular sector or group is considered to drive 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>
<b>Museums</b>			
<p>Council operates two museums. The Dowse 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>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Actively engaged in community activities</li> <li>• Strong and inclusive communities</li> </ul>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> The 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 the extensive community fundraising activities.</p> <p><b>Who pays:</b> 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>
<b>Aquatics and Recreation</b>			
<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>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• A safe community</li> <li>• A strong and diverse economy</li> <li>• Healthy people</li> <li>• Actively engaged in community activities</li> </ul>	<p>Public – med/high Private – med/low Other – low</p>	<p><b>Who benefits:</b> 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 also recognises 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><b>Who pays:</b> 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
<p><b>Parks and Reserves</b></p> <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"> <li>• Healthy people</li> <li>• A healthy natural environment</li> <li>• Actively engaged in community activities</li> <li>• A healthy and attractive built environment</li> </ul>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> <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><b>Who pays:</b> 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>
<p><b>Community Development</b></p> <p>Council has a policy of identifying and understanding its communities and their issues. Through greater knowledge of local needs Council is able to respond suitably to social issues affecting members and groups of communities it represents. The support Council contributes assists groups to achieve their goals when it would not otherwise have been possible owing to lack of resources. This support includes facilitation, advocacy, consultation and allocation of grants to community organisations and groups. These services are carried out through Council's Community Development Division or through private contracts.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• A safe community</li> <li>• Healthy people</li> <li>• Actively engaged in community activities</li> <li>• Strong and inclusive communities</li> <li>• A well-governed city</li> </ul>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> In most cases community support or grants are targeted towards the most disadvantaged groups in society. Targeting intervention at the most disadvantaged groups does provide individual benefits for those people. However the very nature of this service means that the recipients cannot be expected to shoulder the cost. By lifting the status of our most disadvantaged groups, the whole community benefits through greater social cohesion, higher productivity, and less demand for remedial services. Therefore this activity is appropriately funded from the general rate.</p> <p>There is an intergenerational aspect to this activity, in that the social policy framework was developed over a few years but its benefits will occur over a longer period.</p> <p><b>Who pays:</b> 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)
<p><b>Roading and Traffic</b></p> <p>The roading and traffic significant 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. 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. 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"> <li>• A safe community</li> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Healthy people</li> <li>• A healthy and attractive built environment</li> </ul>	<p>Public – med/high Private – low Other – low</p>	<p><b>Who benefits:</b> <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. 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 individual 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><b>Who pays:</b> 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. The share of general rates costs are allocated to these sectors on this same basis.</p>
<p><b>Water Supply</b></p> <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"> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Healthy people</li> <li>• A healthy natural environment</li> <li>• Strong and inclusive communities</li> </ul>	<p>Public – low Private – high Other – low</p>	<p><b>Who benefits:</b> 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. Water leakage and unaccounted for water accounts for a significant amount 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><b>Who pays:</b> 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 over and above this volume.</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><b>Wastewater</b></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"> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Healthy people</li> <li>• A healthy natural environment</li> <li>• Strong and inclusive communities</li> </ul>	<p>Public – low Private – high Other – low</p>	<p><b>Who benefits:</b> 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><b>Who pays:</b> 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><b>Stormwater</b></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"> <li>• A safe community</li> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Healthy people</li> <li>• A healthy natural environment</li> <li>• Strong and inclusive communities</li> <li>• A healthy and attractive built environment</li> </ul>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> 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, managing damage from severe flooding and conducting monitoring and pollution control for the community at large. 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 the current and future users. These intergenerational benefits support the ongoing use of debt financing for associated capital works.</p> <p><b>Who pays:</b> 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>



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><b>Solid Waste</b></p> <p>Council contracts out the collection of most residential and some commercial solid waste and household recycling. It also owns two landfills for the disposal of the city's refuse. Council's Waste Management and Minimisation Plan guides this activity. Council wishes to promote recycling and waste reduction and to provide for the disposal of the city's solid waste. Residents and businesses can opt out of a Council-controlled service but as yet no private sector operators have put forward acceptable proposals for significant non-Council landfills.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• Healthy people</li> <li>• A healthy natural environment</li> </ul>	<p>Public – low Private – high Other – low</p>	<p><b>Who benefits:</b> 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. Solid waste charges need to be set to incentivise people to reduce, reuse, recover and recycle. If these more beneficial actions can be encouraged we can significantly diminish the amount of waste to landfill.</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><b>Who pays:</b> 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>
<p><b>Environmental Management</b></p> <p>Council develops, implements and monitors the District Plan, relevant by-laws and other environmental policies and plans for the sustainable development of the city. Council's statutory resource management and building approval functions as well as liquor licensing and environmental health are also included under this activity. Regular inspections are carried out to ensure compliance with legislative requirements, the District Plan, resource consent and building consent conditions and by-law requirements. Regular inspections of business premises, certification and liquor licensing are undertaken to promote and protect public health in the city.</p> <p>Noise and hazardous substances are controlled by this activity. The control of animals and stock in the city (a large part of which involves dogs and dog registrations) and public education about the care and control of animals are also covered. There is a legal requirement for this activity.</p>	<p>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• A safe community</li> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Healthy people</li> <li>• A healthy natural environment</li> <li>• A healthy and attractive built environment</li> </ul>	<p>Public – med Private – med Other – low</p>	<p><b>Who benefits:</b> <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>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. Current charges for building consents are already considered to be significant. High charges may restrict development activity in the city.</p> <p><i>Environmental Inspections &amp; Enforcement:</i> The environmental inspections and enforcement activity ensures that the policies and regulation of Council are being complied with. The service also 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><b>Who pays:</b> 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>

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><b>Emergency Management</b></p> <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. 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"> <li>• A safe community</li> <li>• Strong and inclusive communities</li> </ul>	<p>Public – med/high Private – med/low Other – med</p>	<p><b>Who benefits:</b> 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 the Upper Hutt City Council as an operating contribution towards the shared service and this is reflected in the 'other' funding source category.</p> <p><b>Who pays:</b> 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>
<p><b>Local Urban Environment</b></p> <p>Council aims to develop an urban environment that will help to attract people and investment and enhance the city's image. Council also recognises the contribution the city's heritage buildings and features play in the city's image and history. 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 the community as a whole, as the work required is often of no benefit to the owner or occupier. Council therefore purchases the public benefit on behalf of the community.</p>	<p>This activity contributes to all Community Outcomes.</p>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> 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.</p> <p>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><b>Who pays:</b> 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>
<p><b>Economic Development</b></p> <p>Council has a leading role in fostering the city's growth in a number of ways.</p> <p>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>This activity contributes primarily to the following Community Outcomes:</p> <ul style="list-style-type: none"> <li>• A strong and diverse economy</li> <li>• An accessible and connected city</li> <li>• Strong and inclusive communities</li> </ul>	<p>Public – med/high Private – low Other – low</p>	<p><b>Who benefits:</b> 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><b>Who pays:</b> 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)
<p><b>Elected Members</b></p> <p>Council is an elected body that governs the direction and objectives of the activities it is responsible for on behalf of the city. Community representatives on Community Boards and Community Committees are part of Council and provide local input into governance issues. Council is required by law to have elected members.</p>	<p>This activity contributes to all Community Outcomes.</p>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> 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><b>Who pays:</b> 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>
<p><b>Advice and Support</b></p> <p>This activity 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 Committees to make informed decisions on behalf of the community.</p>	<p>This activity contributes to all Community Outcomes.</p>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> 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><b>Who pays:</b> 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>
<p><b>Managing Services</b></p> <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"> <li>• Human Resources Management</li> <li>• Financial Management</li> <li>• Corporate Strategy and Risk</li> <li>• Corporate Counsel</li> <li>• Information Services</li> </ul>	<p>This activity contributes to all Community Outcomes.</p>	<p>Public – high Private – low Other – low</p>	<p><b>Who benefits:</b> The entire community benefits from the Council being run as an efficient organisation.</p> <p><b>Who pays:</b> 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>

**Key:**

High	80-100%	Med/high	60-79%	Med	40-59%	Med/low	20-39%	Low	0-19%
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APPENDIX 2

## Summary of Funding Sources by Activity

ACTIVITY	TOTAL OPERATING COST (EXCL GST) (\$000)	OTHER REVENUE SOURCES (\$000)	NET GENERAL RATES (EXCL GST) (\$000)	ALLOCATION OF GENERAL RATES COSTS USING 2010 CAPITAL VALUES												
				RESIDENTIAL (%)	BUSINESS							UTILITIES (%)	RURAL (%)	COMMUNITY FACILITIES		
					ACCOMMODATION (%)	CENTRAL (%)	QUEENS GATE (%)	SUBURBAN (EASTBOURNE) (%)	SUBURBAN (%)	SUBURBAN (JSP) (%)	TOTAL BUSINESS (%)			1 (%)	2 (%)	3 (%)
				Sector's percentage share of city's total capital value												
				76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
				Sector's percentage share of general rates following step one allocation of costs (see Appendix 1 for detailed reasons)												
Libraries	8,747	817	7,930	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Museums	3,783	783	3,000	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Aquatics & Recreation	10,040	4,282	5,758	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Parks & Reserves	12,539	1,997	10,542	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Community Development	3,317	144	3,173	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Roading & Traffic	25,556	7,895	17,661	27.3	1.2	10.5	6.1	0.3	38.5	3.2	59.8	12.2	0.6	0.0	0.1	0.0
Stormwater	7,113	110	7,003	60.7	0.7	6.1	3.5	0.2	22.5	1.9	34.8	2.8	1.3	0.1	0.2	0.1
Solid Waste	6,256	13,087	(6,831)	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Environmental Mngt	9,312	3,532	5,780	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Emergency Mngt	1,190	358	832	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Local Urban Environment	1,560	300	1,260	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Economic Development	3,473	668	2,805	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Elected Members	1,960	-	1,960	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Advice & Support	4,107	-	4,107	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
Managing Services	(1,677)	1,579	(3,256)	76.9	0.3	3.1	1.8	0.1	11.2	0.9	17.4	3.5	1.6	0.1	0.3	0.1
<b>Operational funding</b>	<b>97,276</b>	<b>35,552</b>	<b>61,724</b>													

TARGETED RATES	TOTAL OPERATING COST (EXCL GST)	OTHER SOURCES (USER CHARGES ETC)	TARGETED CHARGES (EXCL GST)
Water Supply	14,320	2,310	12,010
Wastewater	19,677	3,504	16,173
Recycling	-	-	1,200
Private drains	-	-	78
Jackson Street	-	-	110
<b>Total targeted rates</b>	<b>33,998</b>	<b>5,814</b>	<b>29,571</b>
<b>Grand total</b>	<b>131,275</b>		<b>91,295</b>

## Hutt City Development Charges Remissions Policy

### Objective

To encourage economic development in Hutt City by remitting the following for specified types of developments for a maximum of two years:

- development contributions;
- reserve financial contributions;
- resource consents fee and charges; and
- building consents fees and charges.<sup>1</sup>

This policy is part of a wider programme aimed at revitalising the CBD and the city.

Remissions granted will be up to 100% of the charges levied by Hutt City Council, and for up to a maximum period of two years following the granting of building consent.

### Criteria

To be eligible for a remission of Council's development charges under this policy, a development must:

A: Be either:

- A medium or high density residential development; or
- a new non-residential development; or
- a conversion of a building from any use to residential apartments

And

B: Have relevant resource and building consents applications lodged between 1 July 2012 and 30 June 2014.

### Definitions

For the purposes of this policy:

- Development means:
  - construction of dwellings or one or more buildings requiring one or more building and resource consents that, as a body of work, occurs within a similar timeframe, and that stands alone as a complete activity in and of itself; or
  - in the case of apartment conversion, any conversion involving at least 8 attached residential dwelling units or of at least 600 m<sup>2</sup> (whichever is the lesser)<sup>2</sup>

- Medium and high density housing means any housing development of:
  - 3 or more adjoined dwellings, including rest homes and other residential facilities; or
  - 3 or more dwellings within a development with a combined land area of no more than 400 m<sup>2</sup> per dwelling on average.<sup>3</sup>
- New non-residential development means construction of any new non-residential building of at least 500 m<sup>2</sup>, including construction of a new building following demolition or removal of existing buildings. It also includes an extension to an existing building where the extension increases the size of the building by at least 500 m<sup>2</sup>.

This policy does not exclude the potential for more than one development to occur on the same site.

### Conditions

In granting remissions under this policy, Hutt City Council may in its discretion specify certain conditions. Applicants will be required to agree in writing to these conditions and to pay any remitted charges if the conditions are violated.

### Application Process

Applications must be made in writing using an application form determined by Hutt City Council. Applications must be made in sufficient time to be considered prior to consent being granted. Preferably, applications should be made at the time resource and building consents are lodged.

Applications must be supported by the information specified in the application form. In considering applications, Hutt City Council may decide to seek independent verification of any information provided with an application.

### Payment of Rates and Charges

Until such time as an application for a remission of Council's development charges has been approved under this policy and all relevant consents have been granted, applicants will remain liable for any charges and fees covered by this policy as per usual. Charges and fees will be remitted once approval had been granted and all relevant consents are granted. Should a consent not proceed to grant, the applicant will be liable for resource and building consent charges as per usual.

### Liability should construction not commence within two years

Should construction of a development not commence within two years of being granted building consent, the remission of charges and fees provided under this policy shall no longer apply. At that stage, all fees and charges will be fully payable for the development as per usual.

Commencement of construction will be deemed to have occurred when the activity for which a resource and building consent has been issued, has commenced.

<sup>1</sup> Includes the cost of any external expertise sought by Council when assessing a resource or building consent and the cost of any hearing but excludes the cost of the building research levy paid to BRANZ or Department of Building and Housing fees. These must still be paid by developers.

<sup>2</sup> Includes internal car parking space provided as part of the building.

<sup>3</sup> Any existing residential property remaining on the site can count as one of the dwellings.

**Delegations**

Applications for a remission of charges will be decided by the Chief Executive or by a person authorised by the Chief Executive.

**Appeal**

Applicants may appeal against:

- a decision to decline a remission or not grant a full remission; or
- conditions imposed when a remission has been approved.

Appeals will be heard by the Finance and Audit Committee of Council.

**Exclusions**

This policy shall not apply to any development undertaken by Council.

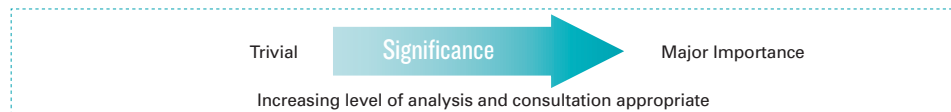
# Significance Policy

**1. Objective**

All decisions the Council makes must be made in accordance with the decision-making requirements of the Local Government Act 2002 (set out in sections 76-81). Council must make a judgement about how to achieve compliance with the Act that reflects the significance of the matter under consideration. This policy explains the Council’s approach to determining significance and lists the thresholds, criteria and procedures that will be used in the assessment.

**2. Introduction**

The Local Government Act 2002 sets out the framework for Council’s consultation and decision-making processes. Significance is a key concept in this framework. The term significance, as used in the Act, is not intended to have a precise definition and instead refers to a continuum – from decisions that are trivial in nature to decisions that are of major importance. The council must decide where on the continuum a decision sits and what level of analysis and consultation is appropriate every time a decision is made.



The significance continuum has a threshold at which point decisions are deemed to be ‘significant’. If an issue requiring decision is determined to be ‘significant’ the council will:

1. Undertake consultation in accordance with the **Special Consultative Procedure** (see s84 and 97 of the Act).
2. Appropriately observe section 76(1) of the Act, i.e. ensure that every decision is made in accordance with the decision-making requirements set out in the Act (s.76 (3)(b) refers).

3. Take into account the relationship of Māori and their culture and traditions, if any of the options involves a significant decision in relation to land or a body of water (s.77 (1)(c) refers).

The Significance Policy, along with the Council’s Engagement Strategy, gives Council guidance on what consultation processes should be followed in relation to a particular decision. The Council’s ‘Guide to Good Decision Making’ provides further assistance as to what analysis is appropriate given the significance and nature of a decision. Even where Council deems that a particular decision does not reach the ‘significant’ threshold, they may still choose to adopt the Special Consultative Procedure.

**3. Approach to Decision-Making and Significance**

*Determining significance*

A significant decision is one that has a high degree of significance in terms of its impact on

- the wellbeing of Hutt City and/or
- persons likely to be affected by or with an interest in that decision and/or
- the costs to or the capacity of the Hutt City Council to provide for the wellbeing of the city.

When considering the significance of a proposal, decision or other matter, the Council will use the following threshold and criteria: (Note: it is the cumulative effect of all these criteria that determines the overall significance of a matter).

- The extent to which the matter flows logically and consequentially from a significant decision already made or from a decision in the LTP or the Annual Plan.



- The magnitude of the matter in terms of its net cost to the Council. Where a decision has not been highlighted through the LTP or Annual Plan, a decision involving a change in spending of more than 10% of the planned capital expenditure for capital items or 5% of the planned operating expenditure for operating decisions will be considered significant.



- The transfer of ownership or control, or the disposal or abandonment of a Strategic Asset as a whole as defined by the LGA or listed in section 4 of this policy will be considered to be significant. The degree to which transfer of ownership or control, or the disposal or abandonment of a part of a Strategic Asset undermines the integrity/functioning of the asset as a whole or restricts the networking utility of the asset will also be considered.



- The matter includes consideration of a large increase in user fee or the introduction of a user fee for a service that has previously been provided free of charge.



- The matter includes consideration of an alteration to the intended level of service provision for any core Council activity, including a decision to commence or cease any such activity.



- Reversibility and intergenerational equity. The more irreversible the effects of a decision the more significance it has – particularly where the decision involves the unsustainable use of resources and thus reduces the right of future citizens to inherit the same diversity of natural and societal resources enjoyed by current citizens.



- Practicality. The Act provides for the Council to take into account the circumstances under which a decision is taken and what opportunity there is to consider a range of options of the views and preferences of other people. In circumstances in which failure to make a decision urgently would result in the loss of opportunities which are assessed as able to contribute to achieving the community outcomes, then the Council will tailor its decision making processes to allow as much evaluation and consultation as is practicable while achieving the timeline required.



- The extent to which the matter under consideration is controversial within the community.



**Procedure**

All reports to Council will include an assessment of the significance of the report’s recommendations. A statement showing how the Council has (or will) appropriately observe(d) the Act, with regard to the appropriate degree and form of consultation and analysis, will also be included.

If the recommendations are considered to be above the ‘significant’ threshold, an external peer review will be sought to confirm that the decision-making process undertaken is in accordance with the decision-making requirements set out in the s76 of the Act.

**4. Strategic Assets**

The Act defines a Strategic Asset as:

*“an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority’s capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community and includes—*

- (a) any asset or group of assets listed in accordance with section 90(2) by the local authority and
- (b) any land or building owned by the local authority and required to maintain the local authority’s capacity to provide affordable housing as part of its social policy and
- (c) any equity securities held by the local authority in –
  - (i) a port company within the meaning of the Port Companies Act 1988:
  - (ii) an airport company within the meaning of the Airport Authorities Act 1966”

In accordance with section 90(2) of the Local Government Act 2002 Hutt City Council considers the following assets to be strategic:

- Roading Network
- Wastewater Network and Treatment
- Stormwater Network
- Water Supply Network
- Landfills
- Network of parks and reserves
- Dowse and Settlers Collections
- Library Network

# ENVIRONMENTAL POLICIES CONSULTED ON IN 2012

## WATER CONSERVATION AND EFFICIENCY PLAN

Water is a fundamental need for people and businesses. We'll need to manage this resource carefully in the future as a growing population, changing built environment and uncertainty surrounding climate change become important issues.

Our Water Conservation and Efficiency Plan aims to prioritise the management of our water in light of the above, and to encourage awareness amongst the wider community of an issue which is likely to become increasingly important.

The cornerstones of the plan are conservation and efficiency. Conservation refers to doing fewer activities that use water, such as watering the garden less or showering for shorter periods. Efficiency is when we use new hardware or techniques to get the same level of benefits from less water. Examples of efficiency measures are applying mulch to gardens and using low-flow shower heads.

The Plan lies underneath Council's Environmental Sustainability Strategy 2009-2014, which details several environmental sustainability focus areas, including water. The key objective of the Strategy that this Plan works towards is reduced per capita water consumption, in turn contributing to a more effective use of Hutt City's reticulated water supply.

The following six activities are planned for implementation over the next two to three years, with the focus primarily on education, informing the community and ensuring provisions are in place to advance conservation and efficiency.

- A community engagement, education and information programme
- Analysis and publication of Hutt City water consumption figures
- Engaging retailers and service providers in order to advance water efficiency and conservation goods and services
- Investigating the scope and options for supporting the implementation of water conservation initiatives
- Targeting the top 25 commercial users to assist in making their operations more water efficient
- Ongoing active leak detection work and cost/benefit analysis for pressure management within the public network.

## ASSESSMENT OF WATER SERVICES

Urban areas of Hutt City are serviced by a reticulated water supply system comprising approximately 683 km of pipes, 24 water storage reservoirs and 13 pump stations. This system distributes water purchased from Greater Wellington Regional Council to homes and businesses across the city.

The table below shows the source of water supply to urban areas of Hutt City.

AREA OF SUPPLY	SOURCE OF WATER	IS CHLORINE USUALLY ADDED?	IS FLUORIDE ADDED?
Hutt Valley and Eastbourne (excluding Petone, Korokoro Stokes Valley, Manor Park and Haywards)	Hutt Valley Artesian System	No	Yes
Petone, Korokoro	Hutt Valley Artesian System	No	No
Stokes Valley, Manor Park, Haywards	Te Marua (Headwaters of Hutt River)	Yes	Yes
Wainuiomata	Wainuiomata (Headwaters of Wainuiomata and Orongorongo Rivers)	Yes	Yes

The reticulated water supply in Hutt City is graded Bb (B for the bulk supply and b for the water distribution) by the Ministry of Health. This grading indicates that the Ministry of Health assesses the Hutt City Council water supply as being "satisfactory, low level of risk". It is probable that an Aa grading ("completely satisfactory, very low level of risk") or an A1a grading ("completely satisfactory, negligible level of risk, demonstrably high quality") would be achieved if chlorine was added to the artesian water supply.

In addition to the reticulated water supply, Hutt City Council provides a supply of untreated artesian water extracted directly from the aquifer which is available to the community from "Te Puna Wai Ora", an artesian water facility and sculpture situated in the business area of Petone.

The majority of properties in rural areas obtain their water supplies from roofwater runoff or from streams on their properties, although there are a small number of rural/residential areas that have a limited (not meeting normal urban standards for pressure and flow) water supply from the reticulated water supply system as an alternative to roofwater or stream supplies.

Year round inflows can be expected into private water supplies on account of the temperate climate in Hutt City, although shortages can still occur over summer months depending on weather patterns and the amount of water storage built into each system. Most rural parts of Hutt City are within 15 minutes driving time of the reticulated Hutt City water supply system and tanker services are available which can provide water into private systems if shortages occur.



The quality of water in private water supplies depends on the quality of the source water, the design of the water supply system including treatment systems, and the way the water supply system is maintained and operated. These factors vary between individual systems. Risks can be managed to acceptable levels in well designed, maintained and operated private water supplies. There is no known history of significant health problems associated with private water supplies in Hutt City.

**Future Demand**

According to Statistics New Zealand forecasts, population growth in Hutt City or Upper Hutt City over the next 20 years is expected to be slow. Therefore the water consumption in Hutt City is only expected to rise slightly over the next 20 years unless measures such as water metering are introduced.

**Key Issues and Hutt City Council Proposals**

Issues associated with the water supply to the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of Hutt City community outcomes.

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Seismic Vulnerability of Water Supply System</b></p> <p>The 2010 and 2011 Canterbury earthquakes raised the profile of water supply service disruption following a significant seismic event. Earthquake hazard maps produced by Greater Wellington Regional Council indicate potential slope failure, liquefaction, ground shaking, fault movement and tsunami hazards. The effect of these upon the water supply network within Hutt City will depend greatly on the precise seismic event that occurs. Disaster readiness and response plans will form the basis of a prioritised recovery effort.</p>	<p>It is proposed that Hutt City Council further investigate high criticality water main, reservoir and pump station seismic vulnerability and plan a renewal / upgrade programme accordingly</p>	<ul style="list-style-type: none"> <li>• Reservoir seismic upgrade – Delaney Reservoir (2015/16)</li> <li>• Reservoir seismic upgrade – Kingsley Reservoir (2016/17)</li> <li>• Reservoir seismic upgrade – Konini Reservoir (2015/16)</li> <li>• Reservoir seismic upgrade – Taita Reservoir (2015/16)</li> <li>• Reservoir seismic upgrade – Gawler Reservoir (2023/24)</li> <li>• Reservoir seismic upgrade – Sunville Reservoir (2027/28)</li> <li>• Reservoir seismic upgrade – Park Road Reservoir (2028/29)</li> <li>• Reservoir seismic upgrade – Manor Park Reservoir (2029/30)</li> <li>• Reservoir seismic upgrade – Korokoro Reservoir (2030/31)</li> <li>• Reservoir seismic upgrade – Kamahi Reservoir (2031/32)</li> <li>• Reservoir seismic upgrade – Titiro Moana Reservoir (2031/32)</li> <li>• Rata Reservoir roof and seismic upgrade (2022/23)</li> <li>• Critical pipelines seismic upgrade (2022/23 – 2031/32)</li> </ul>
<p><b>Non Fluoridation of Petone Water Supply</b></p> <p>Fluoride is added to most public water supplies in New Zealand as a dental health measure. It is not necessary to add fluoride in order to produce water suitable for consumption. The water supply system is simply used as a means of distributing fluoride efficiently and cost effectively to communities. Fluoridation of water supplies is therefore not a water supply issue but a public health issue.</p>	<p>The possible fluoridation of the Petone water supply was the subject of an extensive public consultation process with the Petone community. This process showed that there was a strong preference for the retention of the unfluoridated water supply that Petone has received (with some temporary short term interruptions) since a reticulated water supply was first provided. No further action is proposed.</p>	<ul style="list-style-type: none"> <li>• Operating project</li> </ul>

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Level of Security of Bulk Water Supply Against Water Shortages</b></p> <p>The current level of security (1 in 50 year drought) against bulk water shortages could be eroded by growth in the demand for water. Although significant growth in Hutt City is not expected over the next 20 years, recent growth over the wider Wellington region has exceeded projections. Maintaining the current level of security of supply is likely to necessitate either:</p> <ul style="list-style-type: none"> <li>the construction of additional bulk water supply infrastructure (with a possible increase in bulk water costs to Hutt City); or</li> <li>a reduction in the average per capita water consumption from the public water supply</li> </ul> <p>The councils in the Wellington metropolitan area are working towards a combined approach to reducing water consumption in the Wellington area as an alternative to expansion of the bulk water system.</p>	<p>That a cooperative approach between the councils in the Wellington area to reducing average water consumption, as an alternative to expansion of the bulk water system, be supported .</p>	<ul style="list-style-type: none"> <li>Water conservation (2022/23 – 2024/25)</li> <li>Emergency water supply (2022/23 &amp; 2024/25 &amp; 2026/27)</li> <li>Emergency supply point (valving) (2012/13)</li> <li>Emergency water storage tanks (2013/14)</li> </ul>
<p><b>Heavy Metals Leaching Out of Plumbing</b></p> <p>Some plumbing fittings contain heavy metals such as lead which can be leached into the water supply.</p>	<p>That Hutt City Council continues to provide city wide education/ awareness notices.</p>	<p>Operating project</p>
<p><b>Eastbourne – Security of Supply</b></p> <p>The water supply to Eastbourne flows in a southwards direction from Point Howard through two pipelines in Marine Drive (one of which will need to be decommissioned in the future). In the event of a failure of these pipelines the water supply to Eastbourne south of the point of any failure will be immediately disrupted due to an inability for Eastbourne to be supplied from an alternative source.</p>	<p>A duplicate main and new reservoir at Point Howard is programmed within the 10-20 year period in the Long Term Plan. Continue investigations into the need for a reservoir at the southern end of Eastbourne to improve the security of the water supply to Eastbourne.</p>	<ul style="list-style-type: none"> <li>Eastern Bays Reservoir upgrade design/consents/ construction (2017/18 &amp; 2019/20 – 2021/22)</li> <li>Point Howard Reservoir Construction (2027/28 – 2028/29)</li> <li>Point Howard Reservoir Roof Upgrade (2022/23)</li> </ul>

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Silverstream Bulk Water Supply Pipeline</b></p> <p>The main bulk water supply pipeline from the Te Marua Treatment Plant passes over the Silverstream Road Bridge and may be vulnerable in a major earthquake or major flood in the Hutt River. This would shut off the bulk water supply to Manor Park and Haywards (and the primary supply to Porirua City and much of Wellington City).</p>	<p>Greater Wellington Regional Council has carried out investigations into the security of this pipeline and into alternatives. Security of this pipeline will be improved as part of the proposed future upgrading of the Silverstream Bridge.</p>	<ul style="list-style-type: none"> <li>GWRC project</li> </ul>
<p><b>Private Water Supplies</b></p> <p>Most private water supplies are sourced from roof water runoff or from streams. A degree of contamination of water from these sources is inevitable. Contaminants may also be able to enter on-site water storage tank(s). Private water supply systems may not incorporate treatment capable of removing or mitigating the effects of contaminants that are likely to enter the water supply and may not have water quality testing programmes, planned maintenance programmes or keep system records.</p>	<p>It is proposed that Hutt City Council continues to provide information on the risks associated with on-site water supplies and how these can be managed and that this information is developed in association with health authorities.</p> <p>That Hutt City Council develops guidelines for new on-site water supply installations.</p>	<ul style="list-style-type: none"> <li>Operating project</li> </ul>
<p><b>Information on Private Water Supply Systems</b></p> <p>Information on private water supplies for individual properties is limited.</p>	<p>It is proposed that Hutt City Council completes populating its database of private water supply systems in the city by June 2012.</p>	<ul style="list-style-type: none"> <li>Operating project</li> </ul>

### Roles of Hutt City Council – Public Water Supply

Hutt City Council is responsible for ensuring the public water supply in Hutt City is managed in a way which contributes towards the achievement of community outcomes for the city. This involves:

- Setting standards to be achieved in the provision of the water supply.
- Setting water supply policy.
- Managing the interface with consumers.
- Monitoring the performance of the water supply activity.
- Advocating to and working with Greater Wellington Regional Council to ensure that the bulk water supply to Hutt City meets the requirements of the community.
- Managing the interface with Capacity – the Hutt City Council and Wellington City Council jointly owned water management entity.
- Approving budgets for the water supply activity including the setting of water supply charges through the Annual Plan process.
- Carrying out an assessment of water supply in Hutt City as required by the Local Government Act 2002.

Capacity is responsible to Hutt City Council for:

- Making recommendations on standards and policy.
- Managing the water supply system through the asset management plan process to achieve required outcomes.
- Ensuring risks are identified and managed within acceptable limits.
- Managing the maintenance and operation of the water supply system.
- Developing and implementing programmes for the progressive replacement of the water supply system.
- Developing and implementing programmes to upgrade and extend the water supply system to meet future demand.
- Ensuring new water supply infrastructure is designed and constructed to required standards.
- Monitoring the performance of the water supply activity including the quality of water supplied.

### Roles of Hutt City Council – Private Water Supplies

The roles of Hutt City Council with respect to private water supplies reflect that both private and public water supplies contribute towards the achievement of community outcomes.

- Advisory - Providing advice to property owners on risks associated with on-site water supplies and on the management of on-site water supply systems. (Note that this role is not mandatory but is proposed reflecting the customer focus of Hutt City Council).
- Regulatory - Setting requirements for servicing of new developments including requirements for on-site water supplies and managing compliance with New Zealand Building Code Requirements for Water Supply.
- Assessments - Carrying out an assessment of groupings of private water supplies as part of a wider assessment of water supply in Hutt City as required by the Local Government Act 2002.
- Partial Service Provider - Providing water supply for tankers to enable on-site water supplies to be replenished.

### ASSESSMENT OF WASTEWATER SERVICES

Urban areas of Hutt City are serviced by a reticulated wastewater system which is intended to provide for the effective and reliable disposal of domestic and industrial wastewater from residential properties and the business community.

The local wastewater reticulation to which each serviced property is connected comprises a network of approximately 573km of relatively small diameter pipes (typically 150mm to 225mm in diameter). The local wastewater reticulation discharges into a system of approximately 104km of trunk sewers (ranging up to 1350mm in diameter) which convey wastewater to the treatment plant at Seaview.

Most wastewater pipelines operate by gravity drainage (they run downhill) although there are 44 pump stations which pump wastewater to higher levels when gravity drainage is not practical.

The trunk wastewater system services both Hutt City and Upper Hutt City. Wastewater from reticulated areas of Hutt City and Upper Hutt City is treated at the Seaview Wastewater Treatment Plant. An 18km long 1350mm diameter pressurised pipeline conveys disinfected effluent from the Seaview Treatment Plant to an outfall at Pencarrow Head a short distance beyond the eastern entrance to Wellington Harbour.

A byproduct of the treatment process is biosolids which are the stabilised material extracted from the wastewater during the treatment process. The biosolids produced by the Seaview Treatment Plant are dried before being disposed of to landfill.

The flow through the treatment plant is approximately 54,000 cubic metres per day averaged over the entire year or approximately 45,000 cubic metres per day during dry weather.

The following table summarises the characteristics of the untreated wastewater and of the effluent from the Seaview Treatment Plant.

	UNTREATED WASTEWATER	TREATED EFFLUENT FROM TREATMENT PLANT	RESOURCE CONSENT LIMIT FOR TREATED EFFLUENT
CBOD <sub>5</sub> (g/m <sup>3</sup> ) (Carbonaceous Biochemical Oxygen Demand over 5 days – a measure of the potential for carbonaceous material in the wastewater to deplete levels of dissolved oxygen)	145	12	50
Suspended solids (g/m <sup>3</sup> ) (A measure of the level of finely suspended material)	177	17	50
Faecal coliforms (cfu/100ml) (A measure of levels of bacteria originating from the gut of animals including humans)	1,000,000	226	1,000

\* Average values over the 2010-2011 period

Wastewater from properties in rural areas of Hutt City is generally disposed of by means of conventional septic tanks and on-site effluent disposal fields. Solids which accumulate in septic tanks must be removed periodically and disposed of. A septic tank cleaning service is provided by several companies and usually involves pumping the contents of the septic tank into a tanker for subsequent controlled disposal into the Hutt City wastewater system at specified trade waste pre-treatment facilities.

The adequacy of on-site disposal systems depends on their initial design and construction, the ability of effluent disposal fields to accommodate the volumes of effluent discharged and the ongoing maintenance and operation of the systems. These factors vary between individual systems.

Environmental and health risks can be managed to acceptable levels in on-site wastewater systems which are designed, constructed, operated and maintained to appropriate standards.

There is no known history of significant health or environmental problems associated with the remaining private on-site wastewater systems in Hutt City although ongoing environmental monitoring is recommended.

### Future Demand

According to Statistics New Zealand forecasts, population growth in Hutt City or Upper Hutt City over the next 20 years is expected to be slow. Demand projections estimate no change, or a slight reduction in total wastewater volumes over the next 20 years, mainly as a result of programmes to reduce the entry of stormwater into the wastewater system. There are strategies in place to accommodate the additional wastewater that would be generated if significant growth does occur.

### Key Issues and Hutt City Council Proposals

Issues associated with wastewater disposal from the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of community outcomes for Hutt City.

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Seismic Vulnerability of Wastewater System</b> The 2010 and 2011 Canterbury earthquakes raised the profile of wastewater service disruption following a significant seismic event. Earthquake hazard maps produced by Greater Wellington Regional Council indicate potential slope failure, liquefaction, ground shaking, fault movement and tsunami hazards. The effect of these upon the wastewater system within Hutt City will depend greatly on the precise seismic event that occurs. Disaster readiness and response plans will form the basis of a prioritised recovery effort.</p>	It is proposed that Hutt City Council further investigates and assesses the vulnerability of mains and pump stations.	<ul style="list-style-type: none"> <li>Operating project</li> </ul>
<p><b>Future Effluent Disposal from the Seaview Treatment Plant</b> The Main Outfall Pipeline which conveys effluent from the Seaview Treatment Plant to the outfall to the ocean at Pencarrow Head has an estimated remaining life of the order of 20 years. Either rehabilitation of the pipeline or an alternative means of effluent disposal (which could be a replacement pipeline) will be necessary. Treated and disinfected effluent is discharged at Pencarrow Head from an outfall located near the shoreline. The effects of the effluent discharge are being monitored.</p>	It is proposed that Hutt City Council continues detailed investigations into future options for the renovation or replacement of the Main Outfall Pipeline.	<ul style="list-style-type: none"> <li>Trunk Main Outfall Pipeline Renewal (2018/19 – 2019/20 &amp; 2027/28)</li> </ul>
<p><b>Knowledge of the system capacity may not be as comprehensive as possible</b> Hutt City Council and Capacity knowledge of the detailed wastewater system capacity (on a catchment basis) and potential future issues (e.g. derived from changes in population) may not be as comprehensive as possible. At present wastewater hydraulic models do not exist across the entire city.</p>	It is proposed that Hutt City Council develops a citywide wastewater model.	<ul style="list-style-type: none"> <li>Operating project</li> </ul>

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Wet Weather Overloading of the Wastewater System</b>                      Problems are also experienced with overloading of the wastewater system in certain areas of the city due to excessive stormwater entry to the wastewater system during heavy or prolonged rainfall. At other times the wastewater system in these areas generally operates very well. Areas where high wet weather flows are a particular problem include Wainuiomata, Stokes Valley, Naenae and to a lesser extent parts of Eastbourne, Hutt Central and the Western Hills.</p>	<p>It is not possible for all areas where high wet weather flows occur to be addressed simultaneously. It is proposed that a prioritised catchment by catchment investigation and programme of works be developed identifying indicative performance targets, strategies, timeframes and costs for addressing wet weather overloading in different parts of the city. It is also proposed that investigations into sources of excessive wet weather wastewater flows continue as an input to a citywide wastewater overflow management plan.</p>	<ul style="list-style-type: none"> <li>• Operating project</li> </ul>
<p><b>On-Site Wastewater Disposal Systems</b>                      The inadequate design, operation and/or maintenance of on-site wastewater disposal systems can lead to health and environmental problems.</p>	<p>It is proposed that Hutt City Council completes populating its database of on-site wastewater disposal systems in the city by June 2012. It is proposed that this be aligned with a similar regional database being prepared by Greater Wellington Regional Council. It is further proposed that a programme to monitor health and environmental effects of on-site wastewater disposal in Hutt City be developed in conjunction with Greater Wellington Regional Council.</p>	<ul style="list-style-type: none"> <li>• Operating project</li> </ul>

**Roles of Hutt City Council – Public Wastewater System**

Hutt City Council is responsible for ensuring the public wastewater system is managed in a way which contributes towards the achievement of community outcomes for the city. This involves:

- Setting standards to be achieved in the management of wastewater disposal.
- Setting wastewater policy.
- Public education on wastewater management issues.
- Managing the interface with the community.
- Monitoring the environmental effects of wastewater (and effluent) discharges.
- Managing the interface with Upper Hutt City Council through the Hutt Valley Services Committee.
- Managing the interface with Capacity – the Hutt City Council and Wellington City Council jointly owned water management entity.
- Approving budgets for the wastewater activity through the Annual Plan process.
- Monitoring the performance of the wastewater activity.
- Carrying out an assessment of wastewater management in Hutt City as required by the Local Government Act 2002.

Capacity is responsible to Hutt City Council for:

- Making proposals on standards and policy.
- Managing the wastewater system through the asset management plan process to achieve required outcomes.
- Ensuring risks are identified and managed within acceptable limits.
- Managing the maintenance and operation of the wastewater system.
- Developing and implementing programmes for the progressive replacement of parts of the wastewater system as they reach the end of their useful life.
- Developing and implementing programmes to upgrade and extend the wastewater system as required to meet future demand.
- Ensuring new wastewater infrastructure is designed and constructed to required standards.
- Monitoring performance as an input to the monitoring of the wastewater activity by Hutt City Council.

### Roles of Hutt City Council – Private Wastewater Systems

The roles of Hutt City Council with respect to private wastewater systems reflect that both private and public wastewater systems contribute towards the achievement of community outcomes.

- Advisory - Providing advice to property owners on risks associated with septic tank systems and on the operation and management of septic tank systems.
- Regulatory – Setting requirements for servicing of new developments including verifying compliance of new installations with required standards (normally AS/NZS 1547:2000).
- Monitoring - Maintaining records of septic tank systems and monitoring health and environmental issues associated with groupings of these systems.
- Assessments - Carrying out an assessment of groupings of private wastewater systems as part of a wider assessment of wastewater management in Hutt City as required by the Local Government Act 2002.
- Possible Future Service Provider - Monitoring development in areas serviced by septic tanks and the performance of groupings of on-site wastewater systems to determine if and when reticulated wastewater systems may be appropriate.

### ASSESSMENT OF STORMWATER SERVICES

Residential properties and the business community in developed areas of Hutt City are serviced by a reticulated stormwater system comprising approximately 546km of stormwater pipes, 11,600 manholes, 5 retention dams and 14 pump stations which convey stormwater to receiving watercourses. The stormwater pipelines in the Hutt City system range in size from 100mm to 1800mm in diameter with 65% of the pipes being between 225mm and 450mm in diameter.

Greater Wellington Regional Council is responsible for managing major watercourses throughout the Wellington region including the Hutt River, the Wainuiomata River, the Waiwhetu Stream (from below Naenae) and the lower section of the Stokes Valley Stream. The majority of stormwater from Hutt City discharges into these watercourses.

Most of the Hutt City stormwater reticulation operates by gravity drainage. This means that the pipes run downhill and are not intended to operate under pressure. The 14 stormwater pump stations provide drainage from localised low lying areas when gravity drainage is not effective.

Every stormwater pipe and channel has a finite capacity. Most of the stormwater pipelines in Hutt City were designed to accommodate rainfall with a 20% chance of occurring annually (a 5 year average return period). It is not practical to provide stormwater drains that can accommodate all foreseeable rainfall and the risk of blockages in stormwater systems cannot be eliminated. Stormwater systems in “greenfields” developments are now required to comprise both a primary system consisting of pipes and open channels intended to cater for more frequent rainfall events, and a secondary system to cater for higher intensity rainfall events. The secondary system consists of overland flowpaths which convey floodwaters safely when the primary system is unable to cope. New stormwater pipelines are now

designed to accommodate rainfall with an average return period between 10 years (10% chance of occurring annually) and 50 years (2% chance of occurring annually) depending on the risk in specific situations.

It is expected that changing rainfall patterns will continue to be reflected in an increase in the frequency of severe rainstorms which exceed the original design capacity of the stormwater system. Stormwater systems in Hutt City are now designed to accommodate more intense rainfall to reflect climate change.

In rural areas of Hutt City stormwater runoff from roof areas is often diverted to storage tanks as a source of water for on-site water supply systems. Stormwater not used for water supply purposes is generally disposed of to land or to watercourses.

The quality of stormwater is highly variable. Stormwater runoff and in particular the “first flush” of stormwater runoff following a dry period often contains many contaminants. These can include sediments, oils, greases, metals and organic material washed from roads and other impervious areas together with rubbish and contaminants illegally discharged into the stormwater system. Contamination of stormwater can also arise from overflows from the wastewater system (generally due to wet weather overloading of the wastewater system – see wastewater assessment).

Many contaminants entering the stormwater system are subsequently discharged to watercourses. There is expected to be a greater focus on the effects of stormwater discharges on watercourses and on ways that these effects can practically be reduced.

The quality of water at popular swimming beaches in the city is monitored. This monitoring indicates that beach water is usually of a good standard which is suitable for swimming, although water quality usually falls for a period following heavy rainfall.

### Future Demand

Development in the city is not expected to be of a scale which will substantially increase stormwater runoff overall although it may be significant in localised areas. The focus of future stormwater management is likely to continue moving away from simply providing pipes to convey stormwater and towards the development of an integrated range of measures to manage the potentially adverse effects of stormwater runoff including flooding, environmental degradation and pollution.

### Key Issues and Hutt City Council Proposals

Issues associated with stormwater management in the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of Hutt City community outcomes.

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Managing Adverse Effects of Stormwater Runoff</b>                      Flooding due to overloading of the stormwater system. Climate change eroding the level of protection against flooding provided by the stormwater system. Degradation of watercourses due to contaminated stormwater runoff.</p>	<p>Hutt City has adopted a range of measures in response to these issues. These measures and additional measures which may be appropriate have been formalised in a comprehensive stormwater plan for Hutt City.                      It is proposed that Hutt City Council adopts and implements the stormwater plan for Hutt City setting out stormwater issues and an integrated range of measures to manage adverse effects of stormwater runoff to standards acceptable to the community.                      In addition, Hutt City will continue to participate in development of GWRC “Regional Action Plan for Stormwater Management” which focuses on environmental aspects of stormwater management.</p>	<ul style="list-style-type: none"> <li>Operating project</li> </ul>
<p><b>Adequacy of Black Creek Channel – Wainuiomata</b>                      Overtopping of the Black Creek Channel during severe rainfall.</p>	<p>Hutt City Council has undertaken a major works programme for upgrading the Black Creek which will substantially decrease the flood risk associated with this channel. The final stage to upgrade the capacity of Black Creek was completed in 2011-2012.</p>	<ul style="list-style-type: none"> <li>Black Creek – Stage 3 (2011/12)</li> </ul>
<p><b>Secondary Floodpaths</b>                      Lack of secondary flowpaths to convey floodwater safely when the primary stormwater system is blocked or overloaded.</p>	<p>It is proposed to continue to require the provision of secondary stormwater flowpaths in new (greenfields) developments to safely convey floodwater when the stormwater pipes are overloaded. Providing secondary stormwater flowpaths is often not possible in well developed areas although they are provided where they are reasonably practical. The capacity provided in new pipes will reflect the adequacy of secondary flowpaths. The provision of stormwater flowpaths has been incorporated in the stormwater plan for the city.</p>	<ul style="list-style-type: none"> <li>Operating project</li> </ul>

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Obstruction of Stormwater Outlets on Beaches</b>                      A build-up in beach levels may restrict the ability of stormwater outlets to discharge.</p>	<p>It is proposed to conduct further investigations on affected outlets identified with the highest risk and consult on potential options. The preferred options will be developed into a 20 year programme. The approach taken to stormwater outlets has been set out in the stormwater plan for the city.</p>	<ul style="list-style-type: none"> <li>Beach Stormwater Outlets (2016/17 &amp; 2020/21)</li> </ul>
<p><b>Overtopping and Maintenance of Private Streams</b>                      Overflows from private streams and accumulation of debris following severe storms.</p>	<p>It is proposed to continue to investigate measures such as the provision of secondary stormwater flowpaths and the provision of peak flow bypasses to reduce the flood risk associated with private streams. The practicality of these measures must be determined on a case by case basis. The management of private watercourses including responsibilities of the various parties will be considered on a case by case basis and defined in the stormwater plan for the city.</p>	<ul style="list-style-type: none"> <li>Operating project</li> </ul>
<p><b>Stormwater Capacity in Areas of Stokes Valley</b>                      The capacity of some of the main stormwater pipelines which convey stormwater from areas of Stokes Valley to the Stokes Valley Stream is less than desirable leading to backing up and overflowing of stormwater drains during severe rainfall. The issue is compounded by a lack of secondary flowpaths.</p>	<p>The provision of new main stormwater pipelines in areas where repeated problems have been experienced will be investigated as an option and included in the stormwater plan for Hutt City.</p>	<ul style="list-style-type: none"> <li>Stokes Valley Catchment Flood Mitigation (2022/23 – 2031/32)</li> <li>Manuka St (2012/13)</li> </ul>
<p><b>State Highway 2 Obstructing Overland Flow of Floodwater</b>                      There are several low lying areas between State Highway 2 and the base of the Western Hills where floodwater may be trapped behind the State Highway.</p>	<p>A detailed assessment of the level of risk in low lying areas between State Highway 2 and the Western Hills has been carried out and options to mitigate any significant risks identified. The proposed solution to address the problem has been programmed within the 10-20 year period in the Long Term Plan.</p>	<ul style="list-style-type: none"> <li>SH2 – Korokoro Catchment Flood Mitigation (2022/23 – 2031/32)</li> </ul>

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>High Flood Water Levels in the Awamutu Stream</b></p> <p>Flooding has been experienced due to high water levels in the Awamutu Stream.</p>	<p>The investigation is complete and a programme of works is proposed to address the issue, including a number of culvert and channel improvements, removal of flow restrictions and the installation of flood gates and a pumping station.</p>	<ul style="list-style-type: none"> <li>Awamutu Stream (2012/13 – 2019/2020 &amp; 2022/23 – 2023/24)</li> </ul>
<p><b>High Floodwater Levels in the Waiwhetu Stream</b></p> <p>Flooding has been experienced due to high water levels in the Waiwhetu Stream.</p>	<p>Greater Wellington Regional Council, which is responsible for the majority of the Waiwhetu Stream, has commenced investigations into the flood risk associated with the Waiwhetu Stream. It is proposed that Hutt City Council continue investigations into options beyond the Waiwhetu Stream corridor for mitigating the effects of high levels in the Waiwhetu Stream and that the outcomes of both investigations be incorporated into the stormwater plan for Hutt City.</p>	<ul style="list-style-type: none"> <li>Waiwhetu Catchment (2022/23 – 2026/27)</li> </ul>
<p><b>Flooding from the Hutt River</b></p> <p>The Hutt River represents the major flood risk to the Hutt Valley. Failure of the Hutt River flood defences would lead to major flooding in the Hutt Valley.</p>	<p>The flood risk associated with the possible failure of the Hutt River flood defences is being addressed through a programme of works being implemented by Greater Wellington Regional Council.</p>	<ul style="list-style-type: none"> <li>Hutt River Floodplain (2013/14 – 2018/19 &amp; 2022/23 – 2024/25)</li> <li>Boulcott Stopbank Project – HCC Contribution (2012/13)</li> <li>Hutt River Backflow Electrical (2013/14 &amp; 2015/16 &amp; 2017/18)</li> </ul>
<p><b>Backflows from the Hutt River</b></p> <p>A backflow of the Hutt River up the stormwater system could cause significant flooding.</p>	<p>Additional backflow protection has been provided on several critical stormwater outlets to the Hutt River. It is proposed that an assessment of risks associated with the possibility of backflows through stormwater drains be carried out as a basis for establishment of defined criteria/policy on backflow protection and that the outcome is incorporated into the stormwater plan for Hutt City.</p>	<ul style="list-style-type: none"> <li>Hutt River Stormwater Flapgates / Pumping Stations (2015/16 &amp; 2022/23 – 2031/32)</li> </ul>

ISSUE	HUTT CITY COUNCIL PROPOSAL	ASSOCIATED LTP PROJECT(S) OR OPERATING PROJECT
<p><b>Flooding in the Hutt River Coinciding with Heavy Rainfall in the Hutt Valley</b></p> <p>Floodgates on stormwater outlets to the Hutt River will be closed when the Hutt River is in flood. Stormwater is unable to discharge at these times (except for some localised areas provided with pumping stations). The backup of stormwater may be significant and lead to flooding if there is heavy rainfall in the Hutt Valley when the outlets are closed.</p>	<p>It is proposed that an assessment of risks associated with the closure of floodgates preventing stormwater outflow be carried out as basis for establishment of defined criteria/policy on backflow protection and that the outcome be incorporated into the stormwater plan for Hutt City.</p>	<ul style="list-style-type: none"> <li>Hutt River Stormwater Flapgates / Pumping Stations (2015/16 &amp; 2022/23 – 2031/32)</li> <li>Melling Road Pump Station (2018/19 – 2019/2020)</li> </ul>
<p><b>Overland Flows in Rural Areas</b></p> <p>Problems have been experienced with overland flows of floodwater resulting from the overtopping of the Wainuiomata River and associated tributaries.</p>	<p>Investigations into measures to alleviate this problem have identified a combination of remedial measures which are being implemented. During heavy rainfall stormwater runoff in rural areas will follow natural flowpaths which may include overland flows. It is proposed that flowpaths in rural areas during severe rainfall be required to be identified and documented on plans as part of development proposals. This will assist the determination of measures necessary to ensure that acceptable levels of protection against the flooding of buildings are achieved.</p>	<ul style="list-style-type: none"> <li>Operating project</li> </ul>



### Roles of Hutt City Council – Stormwater Management

Hutt City Council is responsible for ensuring that the effects of stormwater runoff are managed in a way which contributes towards the achievement of community outcomes for the city. This involves:

- Setting standards to be achieved in the management of stormwater runoff.
- Setting the stormwater policy.
- Public education on stormwater management issues.
- Managing the interface with the community.
- Monitoring the environmental effects (such as stream health) of stormwater runoff.
- Regulating surface water drainage from new buildings in terms of the New Zealand Building Code.
- Providing advice on stormwater management.
- Managing the interface with Capacity – the Hutt City Council and Wellington City Council jointly owned water management entity.
- Approving budgets for the stormwater activity through the Annual Plan process.
- Monitoring the performance of the stormwater activity.
- Carrying out an assessment of stormwater management in Hutt City as required by the Local Government Act 2002.

Capacity is responsible to Hutt City Council for:

- Making proposals on standards and policy.
- Managing the stormwater runoff through the asset management plan process to achieve required outcomes.
- Ensuring risks are identified and managed within acceptable limits.
- Managing the maintenance and operation of the stormwater system.
- Developing and implementing programmes for the progressive replacement of the stormwater system.
- Developing and implementing programmes to upgrade and extend the stormwater system as required to meet required standards.
- Ensuring new stormwater infrastructure is designed and constructed to required standards.
- Monitoring performance as an input to the monitoring of the stormwater activity by Hutt City Council.

### STORMWATER PLAN

Council has developed a stormwater plan that sets out the principal stormwater issues facing Hutt City, and outlines the actions Council and Capacity are undertaking or intend to undertake to manage these issues now and in the future.

Most of the actions are wholly or partially in place at present, reflecting the longstanding investment and expertise that Hutt City Council and Capacity have put into stormwater management over the years.

The plan identifies 12 actions that are currently in progress and a further five actions that are proposed. The actions have been prioritised with the intention that they will be progressed in this priority order over the next five years by Hutt City Council and Capacity.

PRIORITY RANKING	ACTION	STATUS
<b>HIGH PRIORITY</b>		
1	Require all consent applications for buildings in flood extent areas (as denoted by the district plan) to specify a proposed level of protection against flooding.	Proposed
2	Set appropriate easements or Consent Notices with regard to over-land flow paths, building set-backs or minimum building floor levels for new subdivisions where necessary.	Proposed
3	Identify and undertake flood improvements in the Awamutu, Black Creek, and Opahu streams.	In Progress
4	Carry out assessment of options for capital works to ensure the most cost effective option is selected.	In Progress
5	Provide information to the community on reducing stormwater contamination.	In Progress
6	Carry out a risk assessment of all stormwater intakes as a basis for determining the need for upgrading.	In Progress
<b>MEDIUM PRIORITY</b>		
7	Produce information material for owners with watercourses passing through their property setting out obligations and restrictions relating to the watercourses.	Proposed
8	Inspection and maintenance programmes for stormwater intakes to reflect the likelihood and consequence of blockage.	In Progress
9	Adopt a risk based approach to determining the capacity to be provided in new or replacement stormwater drains with the capacity to accommodate stormwater from storms with an average recurrence interval (ARI) of between 10 years and 50 years being provided to reflect the flood risk in each situation.	In Progress
9	Low Impact Urban Design and Development ("LIUDD") options are investigated and, where appropriate, incorporated into relevant planning documents.	Proposed
10	Inform property owners that in the event of a storm sump tops may be blocked by debris, creating a flood risk. Owners can assist in reducing the flood risk by keeping sump tops in the vicinity of their property clear during severe rainfall.	Proposed

PRIORITY RANKING	ACTION	STATUS
11	Carry out flood risk assessments in areas where insufficient capacity in major drains has been identified.	In Progress
<b>LOW PRIORITY</b>		
12	Provide secondary floodgates on selected stormwater outlets where the consequences of flap gate failure have been assessed as severe.	In Progress
13	Risks associated with adequacy of secondary stormwater flowpaths will be taken into account in determining the capacity provided in primary stormwater drains when they are replaced or upgraded.	In Progress
14	Carry out a risk assessment of watercourses that may be subject to overtopping with remedial measures (if necessary) on a case by case basis.	In Progress
15	Provide secondary stormwater discharge points on selected beach outlets.	In Progress

The stormwater plan is expected to be finalised by the end of August 2012.

### ASSESSMENT OF PUBLIC TOILET SERVICES

Councils are not legally required to provide public toilets, however, Hutt City Council along with most other councils does provide this service to the community. We own or operate toilets that are available to the public on a daily basis, with three of these open during summer months only. Additional toilets are provided for users of public facilities such as sports grounds, swimming pools, libraries and museums. Private organisations also provide toilets to the public and to customers. There is also one private wastewater disposal site for caravans/ campervans in Hutt City and another located at Ngauranga Gorge. All of these facilities are considered when assessing the level of provision of public toilet services in the city.

We manage and maintain our public toilet assets, undertake upgrades, renewals and additional facilities as demand requires. Contracts are in place for regular maintenance, security and cleaning of toilets.

Our assessment of public toilet services considers issues relating to public health and provision of public toilets by analysing population, visitor projections, customer satisfaction survey results, requests for service from members of the public, and input from staff.

The population of Hutt City is expected to increase only slightly between 2011 (103,530) and 2016 (104,710), then continue to increase only slightly to 2031 (105,150), with visitor projections expected to rise over the next five years.

Feedback on the quality of our public toilet services has been obtained from the public through surveys and service request records, and from Council staff and contractors with knowledge of the facilities. Operational, maintenance and upgrading works are programmed to address any service deficiencies identified. Our annual NRB Communitrak Survey shows that, for the period 2001 to 2011, residents' satisfaction levels with public toilets has increased by 16%. The level of dissatisfaction has decreased by 13% over the same period.

As part of the consultation on the 2011 annual plan, requests were made for improved toilet facilities to be provided in Wainuiomata. As a result we conducted an assessment of public toilet services later in 2011.

This recent assessment of public toilet services indicates that overall, with the possible exception of Wainuiomata, the current provision of public toilets is adequate. There are currently no signs of overuse of Council owned toilets, and we have systems in place to attend to any issues that pose a risk to public health as a priority.

Looking to the future, the assessment of future demand indicates that the current location and capacity of facilities is adequate for current and future demand over the short to medium term.

Council proposes that the future proceeds to be realised from the sale of a residential property that forms part of Hugh Sinclair Park in Wainuiomata will be used to construct public toilets at that park.

# OUR COMMUNITY GOALS

In our 2011-2012 annual plan we consulted on the high level goals or outcomes we'd like to achieve for the city's wellbeing, and they're listed here.

## **A safe community**

We live in a safe city, free from crime and injury. Our city is prepared for emergencies.

## **A strong and diverse economy**

A city that grows existing businesses and attracts new business activity, with a focus on the research and development sector. All members of our community benefit from a strong economy, and we attract increasing numbers of visitors.

## **An accessible and connected city**

A city that is easy to move about with well-designed roads, cycleways and footpaths. Members of our community are connected to the digital world.

## **Healthy people**

We live healthy lives, and our city's services help to protect our health and our environment.

## **A healthy natural environment**

We value and protect the natural environment and promote a sustainable city. Resources are used efficiently and there is minimal waste and pollution.

## **Actively engaged in community activities**

Members of our community participate in arts, cultural, sports and other recreational and leisure activities. The city provides for and encourages participation in these activities.

## **Strong and inclusive communities**

People feel a sense of belonging and are included in the community. Our city is built on strong communities that value diversity and support newcomers.

## **A healthy and attractive built environment**

Our built environment enhances our quality of life. Our city is vibrant, attractive, healthy and well-designed. We promote development that is sustainable, and that values and protects our built heritage and the natural environment.

## **A well-governed city**

All members of our community are empowered to participate in decision-making and to contribute to society. Their values and ideas are reflected in the decisions Council makes.

To help us achieve these outcomes, we've divided our organisation into groups and key activities:

1. Group People is responsible for Libraries, Museums, Aquatics and Recreation, Parks and Reserves and Community Development.
2. Group Utility Services is responsible for Roading and Traffic, Water Supply, Wastewater, Stormwater, and Solid Waste.
3. Group Environment is responsible for Environmental Management and Emergency Management.
4. Group Economy is responsible for Local Urban Environment and Economic Development.
5. Group Organisation is responsible for Elected Members, Advice and Support, and Managing Services.

The table below shows which of our activities primarily contribute to our goals or outcomes.

	A SAFE COMMUNITY	A STRONG AND DIVERSE ECONOMY	AN ACCESSIBLE AND CONNECTED CITY	HEALTHY PEOPLE	A HEALTHY NATURAL ENVIRONMENT	ACTIVELY ENGAGED IN COMMUNITY ACTIVITIES	STRONG AND INCLUSIVE COMMUNITIES	A HEALTHY AND ATTRACTIVE BUILT ENVIRONMENT	A WELL-GOVERNED CITY
Libraries	•	•	•	•		•	•		
Museums		•	•			•	•		
Aquatics & Recreation	•	•		•		•			
Parks & Reserves				•	•	•		•	
Community Development	•			•		•	•		•
Roading & Traffic	•	•	•	•				•	
Water Supply		•	•	•	•		•		
Wastewater		•	•	•	•		•		
Stormwater	•	•	•	•	•		•	•	
Solid Waste				•	•				
Environmental Management	•	•	•	•	•			•	
Emergency Management	•						•		
Local Urban Environment	•	•	•	•	•	•	•	•	•
Economic Development		•	•				•		
Elected Members	•	•	•	•	•	•	•	•	•
Advice & Support	•	•	•	•	•	•	•	•	•
Managing Services	•	•	•	•	•	•	•	•	•

For each outcome we've developed indicators that will show whether we're making progress towards achieving the outcomes. The following pages outline the indicators for each outcome area, the measures and any targets proposed. A number of targets are being developed during the first half of 2012 alongside the collection of data covering the last three years. These targets will be included in the final Long Term Plan. The following pages also outline the rationale for using each indicator and the activities within Council that contribute to the outcome.

We'll be reporting against these indicators in each of our annual reports, starting with the annual report for the year ending 30 June 2012.

## 1. OUTCOME: A SAFE COMMUNITY

We live in a safe city, free from crime and injury. Our city is prepared for emergencies.

### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
1.1	Crime	Total recorded criminal offences (and resolution rate)	Reducing trend over five years (increasing trend over five years)	Level of criminal activity and resolution rates are key measures in HCC's Safe Public Places Action Plan.	Community Development
1.2	Safe places	Residents' perception of safety in local neighbourhood (day/night)	Day: ≥95% Night: ≥80%	Perceptions of safety are inexorably linked to actual crime. Strong link to the outcome and fits Council's responsibilities for public areas.	Community Development
1.3	Safe places	Residents' perception of safety in central city (day/night)	Day: ≥95% Night: ≥60%	Perceptions of safety are inexorably linked to actual crime. Strong link to the outcome and fits Council's responsibilities for public areas.	Community Development
1.4	Safe places	Residents' satisfaction with street lighting	≥87%	Strongly associated with perceptions of safety after dark.	Roading and Traffic
1.5	Safe places	Number of buildings on the earthquake-prone buildings register	Target to be developed	Strong link to outcome. Currently missing from Council reporting. Needs to be supported by contextual information on number of buildings added to/removed from the register, and the reasons for this (eg, buildings strengthened, demolished or legislative change).	Environmental Management
1.6	Emergency management	Percentage of households with emergency survival items (torches, first aid items, food and water, etc)	60%	More clearly defined and relates to what Civil Defence and Emergency Management advise.	Emergency Management
1.7	Alcohol safety	Number of managers licences brought before the Liquor Licensing Authority	Reducing trend over five years	In absence of data on criminal offending or alcohol related harm associated with licensed premises, this is the closest measure of the outcome.	Environmental Management
1.8	Dog control	Number of reported dog attacks (including 'rushes') on people	Reducing trend over five years	Reducing the number of dog attacks is a key outcome of this area of activity.	Environmental Management
1.9	Dog control	Number of animal education initiatives in schools and communities, and estimated number of attendees	N/A	Included as a measure of improved understanding and responsibility relating to dog ownership.	Environmental Management
1.10	Road safety	Number of road crashes resulting in an injury	Reducing trend over 10 years	Good overall summary indicator, consistently reported by other councils. Strong links to Safe Hutt Valley Strategic Plan and Safer Journeys (NZ's Road Safety Strategy 2010-2020).	Roading and Traffic
1.11	Road safety	Number of road crashes resulting in an injury to cyclists and pedestrians	Reducing trend over 10 years	Actions to reduce injury to cyclists and pedestrians are closely linked to land-use planning and the road network (ie, Council responsibilities). Also good links with Council's Cycling Strategy, Walking Strategy, and priorities identified in the Safe Hutt Valley Strategic Plan and Safer Journeys.	Roading and Traffic
1.12	Road safety	Road Condition Index (measuring road surface condition)	Hold or improve rating	Good measure of the Council's activity in asset maintenance, based on 'hard' data and easily understood. The index relates to safety.	Roading and Traffic

## 2. OUTCOME: A STRONG AND DIVERSE ECONOMY

A city that grows existing businesses and attracts new business activity, with a focus on the research and development sector. All members of our community benefit from a strong economy, and we attract increasing numbers of visitors.

### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
2.1	Economy	GDP (per capita)	\$44,830 by 2014; \$47,350 by 2019	Closely correlated with economic activity, growth and standard of living. Also a measure in the Economic Development Strategy (EDS).	Economic Development
2.2	Economy	Value of commercial and residential building consents	N/A	Indicator of economic activity and related to Council activity/services.	Environmental Management
2.3	Local businesses	Number of businesses	10,355 by 2014; 11,101 by 2019	Baseline measure of local business activity. Also a measure in the EDS.	Economic Development
2.4	Local businesses	Number of businesses in high-tech sector	N/A	Fits HCC focus on research and development sector.	Economic Development
2.5	Employment	Number of employees	47,624 by 2014; 51,053 by 2019	Employment is a strong measure of income and ability to meet basic needs, and economic activity. Also a measure in the EDS.	Economic Development
2.6	Employment	Number of employees (FTEs) in high-tech sector	Target under consideration	Fits HCC focus on research and development sector.	Economic Development
2.7	Employment	Unemployment rate	N/A	Levels of unemployment are strongly related to economic growth and development. Unemployment also linked to poor social outcomes (eg, health, criminal justice).	Economic Development
2.8	Employment	Number of people (aged 18-64) receiving unemployment benefit	N/A	Proxy for the number of unemployed that is available more frequently than unemployment rate.	Economic Development
2.9	Income	Median weekly household income and median weekly personal income	N/A	Key indicator of wellbeing as income is a strong determinant of health and education outcomes.	Economic Development
2.10	Visitors	Accommodation occupancy rates and guest nights	Targets to be developed	Valid indicator of the number of visitors and of the performance of local accommodation businesses. Useful for Council to know so can work with operators to improve.	Economic Development
2.11	Museum visitors	Number of museum visitors from outside Lower Hutt	Target to be developed	Key goal (particularly of the Dowse) is to attract visitors to Hutt City.	Museums
2.12	Major events	Number of events funded from the Major Events Fund and estimated number of attendees	8; 80,000	Key area of Leisure Active's work, linked to economic benefit of events for Hutt City.	Aquatics and Recreation

### 3. OUTCOME: AN ACCESSIBLE AND CONNECTED CITY

A city that is easy to move about with well-designed roads, cycleways and footpaths. Members of our community are connected to the digital world.

#### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
3.1	Transport network	Residents' satisfaction with the city's roads and footpaths	Roads: ≥74% Footpaths: ≥81%	Good overall measure linked to accessibility and to Council's activity in this area.	Roading and Traffic
3.2	Transport network	Residents' satisfaction with the city's provisions for traffic control and parking	Traffic control: ≥82% Parking: ≥78%	Good overall measure linked to accessibility and to Council's activity in this area.	Roading and Traffic
3.3	Transport network	Length of cycleway (km)	50km by 2013; 80km by 2018	Good overall measure linked to making the city more accessible, and to Council's activity in this area and the Environmental Sustainability Strategy (ESS).	Roading and Traffic
3.4	Public transport	Number of public transport boardings (per capita)	80.3 by 2013; 87.6 by 2018	Good overall measure linked to making the city more accessible. Fits with Council role in managing the city's roading network and improving traffic flows. Links to measure in the ESS.	Local Urban Environment
3.6	Digital world	Number of hours of free public internet access available through public libraries	3,000,000 hours per annum	Supports National Digital Strategy and bringing new types of users into libraries.	Libraries

### 4. OUTCOME: HEALTHY PEOPLE

We live healthy lives, and our city's services help to protect our health and our environment.

#### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
4.1	Food safety	Number of notifications of food and water-borne diseases	N/A	Closely linked to people's health.	Environmental Management
4.2	Water quality	Water quality at main recreational beaches	90% of samples meet Ministry for the Environment guidelines	Strong fit with outcome.	Stormwater
4.3	Water quality	Quality of drinking water	Maintain at least a 'b' grading ('satisfactory, very low level of risk') across all distribution zones	Strong fit with outcome.	Water Supply
4.4	Water quality	Residents' satisfaction with the city water supply	95%	People's perception of water quality is closely associated with perceptions about their health and the health of the natural environment.	Water Supply

## 5. OUTCOME: A HEALTHY NATURAL ENVIRONMENT

We value and protect the natural environment and promote a sustainable city. Resources are used efficiently and there is minimal waste and pollution.

### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
5.1	Parks and reserves	Area of natural parks and reserves (per 1000 residents)	N/A	Simple, understandable measure of space provision and common across a number of councils. Breakdown by 'maintained' and 'natural' is more meaningful.	Parks and Reserves
5.2	Solid waste	Amount (tonnes) of waste to landfill (per \$GDP)	33 tonnes by 2013; 32 tonnes by 2018	Amount/volume of waste is strongest fit with the outcome. ESS is amount per \$ GDP. Amount per capita is more readily understood.	Solid Waste
5.3	Recycling	Amount (kilograms) of residential recycling (per capita)	80kg per capita by 2013; 105kg per capita by 2018	Amount/volume of recyclables is strongest fit with the outcome.	Local Urban Environment
5.4	Freshwater quality	Biological health of rivers (macroinvertebrates)	Maintain at least a 'good' rating across all sampling sites	Strong link to outcome. Reliable measure that is readily understood. Report on six sample sites across three rivers (ESS reports on two rivers).	Stormwater
5.5	Water use	Total (residential and commercial) water use (per capita)	Reducing trend over five years	Strong fit with outcome and ESS. Target modified from static target of <350 litres per head (which is consistently achieved).	Water Supply
5.6	Building consents	Number of consents granted for solar panels	50 per annum by 2013; 60 per annum by 2018	Linked to measure in the ESS and to the Council's Eco Design Advisor role.	Environmental Management



## 6. OUTCOME: ACTIVELY ENGAGED IN COMMUNITY ACTIVITIES

Members of our community participate in arts, cultural, sports and other recreational and leisure activities. The city provides for and encourages participation in these activities.

### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
6.1	Swimming pools	Number of visits to Council swimming pools (per capita)	8.2	Robust measure of overall use of pools.	Aquatics and Recreation
6.2	Swimming pools	Residents' satisfaction with Council swimming pools	≥93%	Good overall measure of social worth of pools and value as seen by the community.	Aquatics and Recreation
6.3	Recreational programmes	Estimated number of attendances at recreational activity programmes	200,000	Considerable area of Leisure Active's work that is not currently captured and links well to outcome.	Aquatics and Recreation
6.4	Recreational programmes	User satisfaction with Leisure Active recreational programmes or events	≥92%	Data from residents' survey is limited in this respect (only 25% of households (125 households) had taken part in a recreation programme in the previous 12 months). Preference would be to base it on a survey of a sample of users.	Aquatics and Recreation
6.5	Physically active	Percentage of residents who are physically active for ≥5 days a week	≥55%	Good state of the environment indicator around broader impact of Council's activities.	Aquatics and Recreation
6.6	Museum visitors	Number of museum visits	200,000	Considered a useful measure as it enables the tracking of trends in visitor numbers, especially to determine which exhibitions have been popular.	Museums
6.7	Museum visitors	Visitor satisfaction with the Dowse	Target to be developed	More relevant measure than resident satisfaction as captures people that have actually visited museums.	Museums
6.8	Museum exhibitions and programmes	Percentage of the art collection displayed	N/A	Key area of activity, not currently reported. This information is often requested by the public and Councillors.	Museums
6.9	Museum exhibitions and programmes	Number of new exhibitions held at the Dowse and Petone Settlers Museum	N/A	Key area of activity, not currently reported. Also useful as a way of communicating to the public what our museums offer.	Museums
6.10	Museum exhibitions and programmes	Number of participants on school and community education programmes (and satisfaction)	11,000 participants (≥90%)	Educational programmes are a key area of activity for museums.	Museums
6.11	Parks and reserves provision	Area of sports park (per 1000 residents)	N/A	Simple, understandable measure of space provision and common across a number of councils.	Parks and Reserves
6.12	Parks and reserves provision	Households within 600 metres of an outdoor play space	90%	Simple, understandable measure of how accessible play spaces are for young children. For children's play spaces, location is a key aspect of accessibility as many users walk to these spaces.	Parks and Reserves
6.13	Parks and reserves use	Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months	≥89%	Simple, understandable baseline measure of use.	Parks and Reserves
6.14	Parks and reserves satisfaction	Residents' satisfaction with sportsgrounds	≥95%	Considered one of the more useful indicators in the current set. Useful as a benchmark against other councils.	Parks and Reserves

**7. OUTCOME: STRONG AND INCLUSIVE COMMUNITIES**

People feel a sense of belonging and are included in the community. Our city is built on strong communities that value diversity and support newcomers.

**Outcome indicators**

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
7.1	Library visitors	Number of new library members	N/A	Easy measure for collecting something on active membership - other potential indicators do not account for inactive members and are of limited value.	Libraries
7.2	Library visitors	Number of physical visits (per capita)	13 per annum	Considered very useful as the measure of physical visits. Measuring visits 'per capita' means it is readily understood, sensitive to population change and can be benchmarked against other councils.	Libraries
7.3	Library visitors	Number of visits via Libraries Online	275,000	Useful to report these virtual visits in addition to the physical visits.	Libraries
7.4	Library services	Number of items issued, renewed and reserved	N/A	Precise measures of the volume of library transactions.	Libraries
7.5	Library stock	Turnover of library stock	≥national mean	Good indicator of whether library stock is meeting the needs of the community.	Libraries
7.6	Library programmes	Number of participants at library programmes and events	N/A	Considerable area of library activity that is not currently captured and links well to outcome.	Libraries
7.7	Support programmes	Community organisations' satisfaction with the availability and quality of our support, advice and funding	≥90%	Direct feedback from organisations that have had engagement with the Council.	Community Development
7.8	Sense of community	Residents' perceptions that they feel a sense of community with others in their local neighbourhood	≥60%	Useful headline indicator for a range of community support activities, and well linked to outcome.	Community Development
7.9	Visitors	Number of visits to the i-SITE (international, national, regional, local) and revenue generated from sales	Target to be developed	Council's main visitor services are delivered through the i-SITE and these are good indicators of performance of i-SITE marketing - so connected to what Council does in this area. Linked to this outcome because of role of the i-SITE in providing a service to the local community.	Economic Development
7.10	Visitors	Number of visits to the i-SITE website (www.huttvalleynz.com)	Target to be developed	Council's main visitor services are delivered through the i-SITE and these are good indicators of performance of i-SITE marketing - so connected to what Council does in this area. Linked to this outcome because of role of the i-SITE in providing a service to the local community.	Economic Development
7.11	Housing	Number of Council rental housing units by type	≥210 housing units by 2013	A key aim of UrbanPlus is to increase the number of rental properties available to tenants, but this is not currently reported on. A key aim is to also improve the appropriateness of the type of units (eg, bedsits, one bedroom, two bedroom, three+ bedroom). Not yet sure of what the most appropriate mix of unit types is, so this measure will need to be supported by a qualitative assessment of the appropriateness.	UrbanPlus CCO
7.12	Housing	Council housing tenants' satisfaction with condition of accommodation	90%	'Satisfaction' is always high because not a lot of choice for tenants; but specifying it is about the condition of their accommodation adds a quality aspect that is likely to get a more useful response.	UrbanPlus CCO
7.13	Public halls and venues	Users' experience in using public halls (rating)	93%	'Users' satisfaction with halls is more relevant than current measure of residents' satisfaction where 32% respond 'Don't Know/Unable to say'.	Aquatics and Recreation
7.14	Public halls and venues	Number of hours public halls booked	30,000 hours	Good measure of overall 'use'.	Aquatics and Recreation

## 8. OUTCOME: A HEALTHY AND ATTRACTIVE BUILT ENVIRONMENT

Our built environment enhances our quality of life. Our city is vibrant, attractive, healthy and well-designed. We promote development that is sustainable, and that values and protects our built heritage and the natural environment.

### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
8.1	Land use density	Population density (per hectare): total land area; residential activity area	N/A	Linked to a key Anticipated Environmental Result (AER) in the District Plan (DP) to contain the urban area and provide for higher densities.	Environmental Management
8.2	Land use density	Dwelling density (per hectare) in residential activity area	N/A	Linked to a key AER in the DP to contain the urban area and provide for higher densities.	Environmental Management
8.3	Amenity value	Number of noise complaints received	Target to be developed	Linked to a key AER in the DP relating to amenity value. Noise can have a significant adverse effect on the environment, and on the city's amenity value.	Environmental Management
8.4	Amenity value	Number of times formal enforcement action was taken under the RMA	Target to be developed	Non-compliance with resource consent conditions may have an adverse effect on the city's environment. Fewer instances of non-compliance likely to contribute to better environmental outcomes.	Environmental Management
8.5	Sense of pride	Residents feel a sense of pride in the way the city looks and feels	Increasing trend over five years	Closely connected to the city's amenity value which is a key AER in the DP.	Local Urban Environment
8.6	Parks and reserves	Area of maintained parks and reserves (per 1000 residents)	N/A	Simple, understandable measure of space provision and common across a number of councils. Breakdown by 'maintained' and 'natural' is more meaningful, each contributing to a different outcome.	Parks and Reserves
8.7	Parks and reserves	Residents' satisfaction with parks, reserves and gardens	≥95%	Useful as a benchmark against other councils. Critical factor in liveability, closely linked to quality of life, and to the 'live' and 'play' aspects of HCC's vision.	Parks and Reserves
8.8	Heritage protection	Number of listed protected heritage items: buildings; trees; cultural sites; archaeological sites	N/A	Linked to a number of AERs in the DP concerning protection of trees and heritage, cultural and archaeological resources. Provides for an overall measure of the extent of protected resources that is easily understood. Needs to be supported by contextual information that explains any change (eg, number of heritage buildings demolished or added to the list).	Environmental Management

### 9. OUTCOME: A WELL-GOVERNED CITY

All members of our community are empowered to participate in decision-making and to contribute to society. Their values and ideas are reflected in the decisions Council makes.

#### Outcome indicators

	INDICATOR	MEASURE	TARGET	RATIONALE	ACTIVITY
9.1	Democratic processes	Residents' satisfaction with the Council's consultation and engagement	Improvement	Consultation is one of the key ways for the community to input their views on decision-making. Consultation and engagement is also key to public relations.	Advice and Support
9.2	Democratic processes	Percentage of voter turnout at Council elections	N/A	Elections are one of the key democratic processes of Council. Turnout in 2007 was 41% and 40% in 2010.	Elected Members
9.3	Democratic processes	Residents' perceptions of their extent of influence on the decisions the Council makes	Target to be developed	Consultation is one of the key ways for the community to input their views, and it is important that decisions are influenced by these views. In 2008, 63% thought they had 'some' or 'large' influence.	Advice and Support
9.4	Governance and decision-making	Percentage of residents who understand how the Council makes decisions	Target to be developed	Understanding of how decisions are made increases the transparency of the decision-making process. In 2008, 33% said they understood how the Council makes decisions.	Advice and Support
9.5	Governance and decision-making	Percentage of residents who are confident that the Council makes decisions in the best interest of the city	Target to be developed	Confidence in decision-making is a reflection of the quality of the information and advice, and the logistical support, provided to Council and community boards/committees. In 2008, 46% said they were confident.	Elected Members

# ACHIEVING OUR GOALS

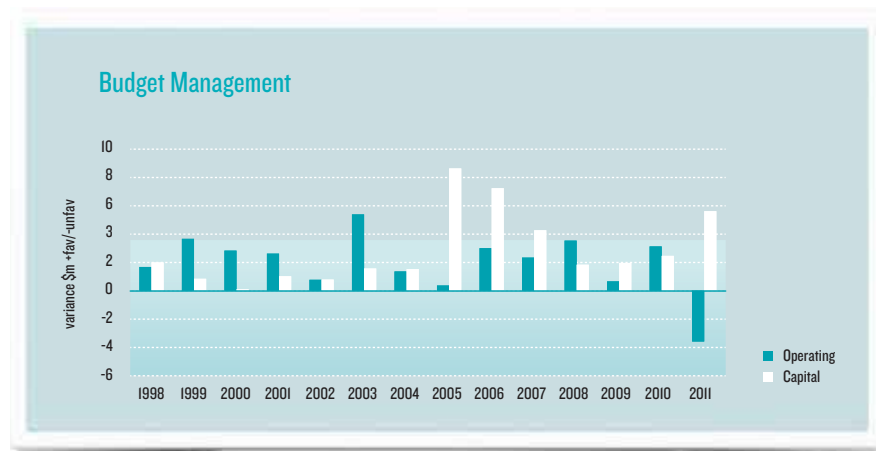
Council management, through its Strategic Leadership Team, has identified four priority areas for the organisation:

PRIORITY AREA	ORGANISATIONAL OBJECTIVES
Services	Delivering great customer experiences
Growth/Environment	Leading a future-focused city
Staff	Achieving results through our great staff

We've developed five key performance indicators for these areas, which are additional to the performance measures and targets for each of our 17 key activities.

## BUDGET MANAGEMENT

This key performance indicator compares our results with the budget. All activities are expected to operate within their net capital and operating budgets. We've delivered operating and capital surpluses compared with budget every year since 1998, but in 2010-2011 had a negative operating result compared to budget for the first time.



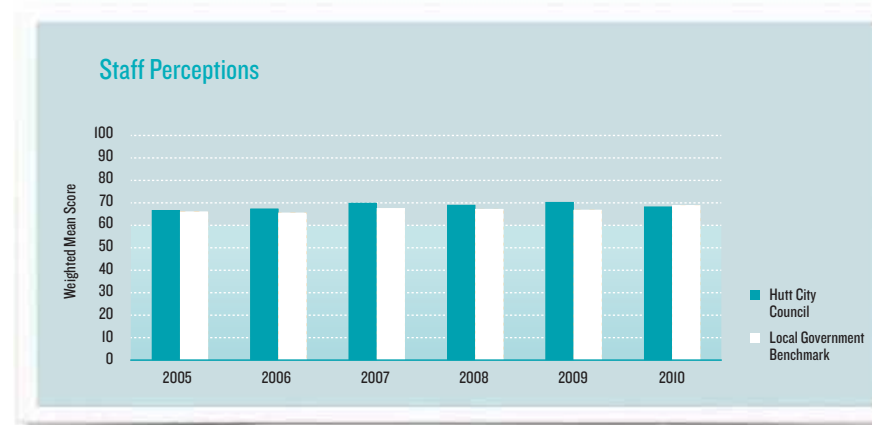
## CUSTOMER SATISFACTION

We monitor customer satisfaction levels through an independent annual survey and have a target of achieving 90% satisfaction. We've achieved steady results that are above the average of our peer councils, and we're committed to continuing to improve.



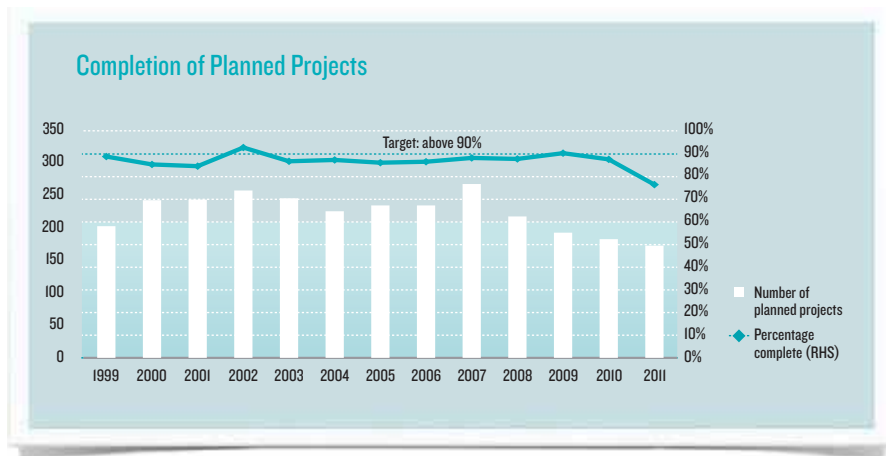
## STAFF PERCEPTIONS

We measure staff perceptions using the John Robertson & Associates' 'Best Places to Work' survey. The graph below depicts the overall HCC performance index score (68.3%) compared to the overall local government performance index score (69%). Current initiatives to support our people include enhancing our leadership and management capability, a strong internal communications strategy, learning and development opportunities, and health and wellbeing initiatives.



### PROJECT COMPLETION

Every year we commit to up to 300 projects through our Long Term Plan or Annual Plan. Inevitably, some of these projects can't be completed during the year for various reasons such as unseasonal weather, so we usually carry them into the next financial year and complete them then. For this reason we have a target of completing at least 90% of projects scheduled for the financial year. However, in 2010-2011 we were faced with potential higher debt due to delays in some of the planned asset sales, and Council agreed to delay a number of capital projects in order to keep debt levels down.



### COMPLIANCE

As we're a significant and complex business operating in a wide variety of areas, it's vital that our staff, contractors and other business associates comply with the law, contracts, consents, employment agreements, health and safety requirements and Council policy.

We monitor this compliance on a monthly basis, with a target of having no significant non-compliance instances. We've achieved this every year since 2004. While there have been some minor breaches, these have been remedied with no significant impact on our operations.

YEAR	NON-COMPLIANCE INSTANCES	
	INSIGNIFICANT	SIGNIFICANT
2004	9	-
2005	6	-
2006	1	-
2007	3	-
2008	1	-
2009	1	-
2010	1	-
2011	2	-

### OUR GROUPS AND ACTIVITIES

Our organisation is divided into groups and key activities:

1. Group People is responsible for Libraries, Museums, Aquatics and Recreation, Parks and Reserves and Community Development.
2. Group Utility Services is responsible for Roading and Traffic, Water Supply, Wastewater, Stormwater, and Solid Waste.
3. Group Environment is responsible for Environmental Management and Emergency Management.
4. Group Economy is responsible for Local Urban Environment and Economic Development.
5. Group Organisation is responsible for Elected Members, Advice and Support, and Managing Services.

The following pages describe each group and activity under the headings:

- What we do
- Why we do it
- Effects on community wellbeing
- The service we provide
- How we measure the success of our services
- Major projects planned
- Prospective income and funding requirements
- Funding impact statement

# GROUP PEOPLE

Group People is responsible for managing the community’s cultural, social and recreational assets in the form of the library network, the Dowse Art Museum and Petone Settlers Museum including their collections, swimming pools and the network of parks and reserves to the agreed service levels described in our asset management plans.

## Libraries

### What we do

We provide a collective resource that is greater than any individual or family could afford or accommodate.

### Why we do it

Providing library services enables all citizens to access information, knowledge and learning opportunities that support and strengthen individuals and the community.

### Effects on community wellbeing

The Libraries activity promotes cultural wellbeing. It contributes to the majority of community outcomes, with libraries providing a focus for community activities and lifelong learning which promotes strong and inclusive communities. Looking at the potential for negative effects associated with this activity, the libraries are places where people congregate and are vulnerable to the risks associated with any public space.

### The services we provide

We provide eight libraries across the city, run as a single city-wide service. Libraries are located in the Lower Hutt CBD, Moera, Naenae, Taita, Stokes Valley, Eastbourne, Petone and Wainuiomata. Petone Community Library provides a focus for heritage collections and services. A range of lifelong learning programmes and events is offered across the libraries year round.

Hutt City Libraries are also part of the SMART public and tertiary library collaboration, along with Wellington Institute of Technology (WelTec), Whitireia New Zealand, Porirua City, Kapiti Coast District and Masterton District libraries. The SMART global catalogue includes more than 500,000 library items in 24 libraries across the Wellington region that participating libraries customers can access.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Percentage of residents who have used library services during the year (measured by independent survey)	82%	82%	85%	≥80% of those expressing an opinion	≥80% of those expressing an opinion
Residents’ satisfaction with library services (measured by independent survey)	98%	100%	99%	≥97% of those expressing an opinion	≥97% of those expressing an opinion
Number of physical visits per year (measured by management reports)	1,102,124	1,263,663	1,248,512	1,200,000	1,200,000
Number of visits via the internet per year (measured by management reports)	314,419	202,619 Libraries Online visits	267,376 Libraries Online visits 99,839 pay sessions on Connect	200,000 Libraries Online visits 85,000 pay sessions on Connect	200,000 Libraries Online visits 85,000 pay sessions on Connect
Library stock turnover (measured by New Zealand Public Library Statistics). Note: a number greater than or equal to the national mean shows that our library stock turnover is at least equal to or better than is achieved nationally	5.69 (national mean 4.3 average annual circulation per item)	6.94 (national mean 3.47 average annual circulation per item)	6.47 (national mean 3.78 average annual circulation per item)	≥national mean	≥national mean

Note: Survey percentages exclude those who responded ‘Don’t know’.





## Prospective income statement for the year ending 30 June: Libraries

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	558	674	690	707	724	742	760	780	800	822	843
Other revenue	34	143	146	150	154	157	161	166	170	174	179
<b>Total revenue</b>	<b>592</b>	<b>817</b>	<b>836</b>	<b>857</b>	<b>878</b>	<b>899</b>	<b>921</b>	<b>946</b>	<b>970</b>	<b>996</b>	<b>1,022</b>
<b>EXPENDITURE</b>											
Employee costs	4,398	3,953	4,048	4,145	4,285	4,393	4,502	4,619	4,739	4,867	4,994
Support costs/internal charges	2,163	1,582	1,535	1,568	1,585	1,638	1,640	1,607	1,583	1,576	1,549
Operating costs	980	1,624	1,663	1,703	1,744	1,788	1,833	1,880	1,929	1,981	2,033
Interest expenditure	12	38	36	38	41	48	44	40	38	36	36
Depreciation	810	1,550	1,459	1,444	1,434	1,409	1,396	1,396	1,378	1,375	1,380
<b>Total expenditure</b>	<b>8,363</b>	<b>8,747</b>	<b>8,741</b>	<b>8,898</b>	<b>9,089</b>	<b>9,276</b>	<b>9,415</b>	<b>9,542</b>	<b>9,667</b>	<b>9,835</b>	<b>9,992</b>
<b>DEFICIT BEFORE TAX</b>	<b>(7,771)</b>	<b>(7,930)</b>	<b>(7,905)</b>	<b>(8,041)</b>	<b>(8,211)</b>	<b>(8,377)</b>	<b>(8,494)</b>	<b>(8,596)</b>	<b>(8,697)</b>	<b>(8,839)</b>	<b>(8,970)</b>
<b>LIBRARIES - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(7,771)	(7,930)	(7,905)	(8,041)	(8,211)	(8,377)	(8,494)	(8,596)	(8,697)	(8,839)	(8,970)
<b>Total rates funding requirement</b>	<b>(7,771)</b>	<b>(7,930)</b>	<b>(7,905)</b>	<b>(8,041)</b>	<b>(8,211)</b>	<b>(8,377)</b>	<b>(8,494)</b>	<b>(8,596)</b>	<b>(8,697)</b>	<b>(8,839)</b>	<b>(8,970)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(793)	(875)	(998)	(872)	(1,113)	(987)	(1,090)	(1,211)	(1,065)	(1,093)	(1,184)
Capital expenditure - improving services	(156)	(239)	(210)	(174)	(178)	(67)	(68)	(93)	(60)	(135)	(138)
Less depreciation	810	1,550	1,459	1,444	1,434	1,409	1,396	1,396	1,378	1,375	1,380
<b>Total loan (funding)/repayment</b>	<b>(139)</b>	<b>436</b>	<b>251</b>	<b>398</b>	<b>143</b>	<b>355</b>	<b>238</b>	<b>92</b>	<b>253</b>	<b>147</b>	<b>58</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(7,910)</b>	<b>(7,494)</b>	<b>(7,654)</b>	<b>(7,643)</b>	<b>(8,068)</b>	<b>(8,022)</b>	<b>(8,256)</b>	<b>(8,504)</b>	<b>(8,444)</b>	<b>(8,692)</b>	<b>(8,912)</b>

## Museums

### What we do

We operate two museums, which are open to the public at no charge other than for special exhibitions:

- The Dowse Art Museum collects and displays fine art as well as decorative and applied arts, and is a conduit for community engagement and participation in the creative arts, underpinned by innovative exhibitions, education and associated community programmes.
- The Petone Settlers Museum specialises in showcasing the social history of the early Māori and European settlement of the lower Hutt Valley and Petone area.

### Why we do it

By providing museums we enable people to access freely arts and cultural facilities that enrich, inspire and offer a range of lifelong learning opportunities. The museums act as a focal point for the community, enhance cultural life and diversity, and promote civic pride and community values.

### Effects on community wellbeing

The Museums activity promotes cultural wellbeing. It contributes primarily to our community outcomes of a strong and diverse economy, an accessible and connected city, actively engaged in community activities, and strong and inclusive communities. It does this by increasing opportunities for people to access arts and culture, strengthening partnerships with tangata whenua, and celebrating diversity. Looking at the potential for negative effects associated with this activity, the museums are places where people congregate and are vulnerable to the risks associated with any public space.

### The services we provide

The Dowse Art Museum offers an exciting exhibition programme showcasing the best in contemporary art and design, and a busy events calendar including musical performances, artists' talks and creative workshops. A range of curriculum-linked education programmes are offered along with school holiday events. The Dowse has a collection of more than 3000 artworks, with a strong focus on the decorative arts.

The Petone Settlers Museum offers an interesting insight into the migration and settlement of people in our region. This includes exhibitions and an online passenger database recording vessels and voyages to Wellington from the United Kingdom, Australia and parts of Europe between 1839 and 1897.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Number of museum visits per year (measured by management reports)	198,391	245,119	201,678	200,000	200,000
Residents' satisfaction with the Dowse Art Museum (measured by independent survey)	94%	95%	96%	≥93% of those expressing an opinion	≥93% of those expressing an opinion
Residents' satisfaction with Petone Settlers Museum (measured by independent survey)	98%	97%	98%	≥93% of those expressing an opinion	≥93% of those expressing an opinion
Public education programmes delivered that meet the needs and expectations of community and school groups (measured by management reports and participant evaluation forms)	Public education programmes delivered to 13,254 participants 91% satisfaction	Public education programmes delivered to 11,847 participants 94% satisfaction	Public education programmes delivered to 16,026 participants 97% satisfaction	Public education programmes delivered to 11,000 participants 90% satisfaction	Public education programmes delivered to 11,000 participants 90% satisfaction

Note: Survey percentages quoted exclude those who responded 'Don't know'.



**Prospective income statement for the year ending 30 June: Museums**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	256	303	310	317	325	333	341	350	359	369	379
Other revenue	245	480	492	503	515	528	541	556	570	585	601
<b>Total revenue</b>	<b>501</b>	<b>783</b>	<b>802</b>	<b>820</b>	<b>840</b>	<b>861</b>	<b>882</b>	<b>906</b>	<b>929</b>	<b>954</b>	<b>980</b>
<b>EXPENDITURE</b>											
Employee costs	1,147	1,214	1,243	1,273	1,314	1,347	1,381	1,416	1,453	1,492	1,531
Support costs/internal charges	643	629	610	625	630	651	650	638	629	627	616
Operating costs	1,026	1,309	1,341	1,373	1,406	1,441	1,477	1,515	1,555	1,597	1,638
Interest expenditure	77	75	72	69	80	85	86	82	75	69	71
Depreciation	277	556	546	545	547	542	543	545	540	542	543
<b>Total expenditure</b>	<b>3,170</b>	<b>3,783</b>	<b>3,812</b>	<b>3,885</b>	<b>3,977</b>	<b>4,066</b>	<b>4,137</b>	<b>4,196</b>	<b>4,252</b>	<b>4,327</b>	<b>4,399</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,669)</b>	<b>(3,000)</b>	<b>(3,010)</b>	<b>(3,065)</b>	<b>(3,137)</b>	<b>(3,205)</b>	<b>(3,255)</b>	<b>(3,290)</b>	<b>(3,323)</b>	<b>(3,373)</b>	<b>(3,419)</b>
<b>MUSEUMS - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(2,669)	(3,000)	(3,010)	(3,065)	(3,137)	(3,205)	(3,255)	(3,290)	(3,323)	(3,373)	(3,419)
<b>Total rates funding requirement</b>	<b>(2,669)</b>	<b>(3,000)</b>	<b>(3,010)</b>	<b>(3,065)</b>	<b>(3,137)</b>	<b>(3,205)</b>	<b>(3,255)</b>	<b>(3,290)</b>	<b>(3,323)</b>	<b>(3,373)</b>	<b>(3,419)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(211)	(223)	(98)	(176)	(333)	(146)	(332)	(191)	(166)	(274)	(106)
Capital expenditure - improving services	(40)	(226)	(53)	(67)	(64)	(40)	(45)	(119)	(52)	(152)	(56)
Less depreciation	277	556	546	545	547	542	543	545	540	542	543
<b>Total loan (funding)/repayment</b>	<b>26</b>	<b>107</b>	<b>395</b>	<b>302</b>	<b>150</b>	<b>356</b>	<b>166</b>	<b>235</b>	<b>322</b>	<b>116</b>	<b>381</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,643)</b>	<b>(2,893)</b>	<b>(2,615)</b>	<b>(2,763)</b>	<b>(2,987)</b>	<b>(2,849)</b>	<b>(3,089)</b>	<b>(3,055)</b>	<b>(3,001)</b>	<b>(3,257)</b>	<b>(3,038)</b>

## Aquatics and Recreation

### What we do

We provide six swimming pools and two gyms in Hutt City, and offer quality and accessible tuition in essential water safety and life skills. Our recreational programmes are community based and designed to encourage residents to engage in a range of recreational activities. Our events help to make Hutt City a vibrant and festive place to be.

Hutt City Community Facilities Trust, a Council-Controlled Organisation, develops and owns some of the city’s facilities in partnership with Council. For example, the Trust is expected to undertake the upgrade of the Walter Nash Stadium, expanding the number of courts and housing other council facilities within the one site.

### Why we do it

People’s lives are positively affected by participation in recreation, sports, fitness and cultural activities – and providing these high-quality services at a low user cost makes them available to the whole community. Aquatics and recreational programmes and events also make an important contribution to creating an attractive area for people and businesses considering moving to Hutt City.

### Effects on community wellbeing

The Aquatics and Recreation activity promotes cultural wellbeing in particular through our Integrated Facilities Plan, Active Recreation and Sport Strategy, and Community Arts and Culture Policy. It contributes primarily to our community outcomes of a safe community, a strong and diverse economy, healthy people, and actively engaged in community activities. Looking at the potential for negative effects associated with this activity, the swimming pools and event locations are places where people congregate and are vulnerable to the risks associated with any public space. The pools also present a drowning risk. The gyms and recreational programmes offered could potentially expose participants to the risk of injuring themselves. These risks are mitigated through the presence of trained staff.

### The services we provide

Swimming pools are provided in the Lower Hutt CBD, Naenae, Stokes Valley, Eastbourne, Petone and Wainuiomata, with gyms located in Naenae and Stokes Valley. A wide range of activities and classes are on offer, including a Learn to Swim programme for swimmers from six months of age right through to adults. Recreation programmes cover everything from sporty and adventurous activities to relaxing and cultural excursions, and include school holiday programmes and programmes for seniors. We also offer a range of events including arts, cultural and musical events and festivals, along with family and sports related events.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents’ satisfaction with pools (measured by independent survey)	94%	95%	94%	≥93% of those expressing an opinion	≥93% of those expressing an opinion
Residents’ use of pools (measured by independent survey)	69%	70%	68%	≥65%	≥65%
Out of School Care and Recreation (OSCAR) accreditation of quality standards for holiday programmes (measured by external audit)	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained
POOLS SAFE accreditation for swimming pool operation, including quality standards for health and safety, water quality, supervision, pool building and operation, signage and other standards (measured by external audit)	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained	Accreditation maintained
Cost per visit to Council of aquatic services provided (measured by management reports)	\$4.02	\$3.95	\$3.66	\$4.31	2012-13 \$4.31 2013-14 \$4.41 2014-15 \$4.52 2021-22 \$5.39
User satisfaction with ‘Leisure Active’ programmes and events (measured by independent survey)	99%	99%	95%	≥92% of those expressing an opinion	≥92% of those expressing an opinion
Residents’ use of ‘Leisure Active’ programmes and events (measured by independent survey)	33%	35%	34%	≥30%	≥30%

Note: Survey percentages quoted exclude those who responded ‘Don’t know’.



## Prospective income statement for the year ending 30 June: Aquatics and Recreation

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	2,860	3,072	3,193	3,270	3,402	3,487	3,574	3,899	4,000	4,108	4,215
Other revenue	1,265	1,210	1,239	1,269	1,300	1,332	1,365	1,401	1,437	1,476	1,514
<b>Total revenue</b>	<b>4,125</b>	<b>4,282</b>	<b>4,432</b>	<b>4,539</b>	<b>4,702</b>	<b>4,819</b>	<b>4,939</b>	<b>5,300</b>	<b>5,437</b>	<b>5,584</b>	<b>5,729</b>
<b>EXPENDITURE</b>											
Employee costs	3,319	3,310	3,440	3,522	3,633	3,724	3,817	3,916	4,018	4,127	4,234
Support costs/internal charges	724	930	902	922	931	962	963	944	930	926	911
Operating costs	3,647	4,188	4,373	4,478	4,692	4,810	4,930	5,290	5,427	5,574	5,719
Interest expenditure	55	114	110	105	121	132	131	124	115	106	108
Depreciation	910	1,498	1,545	1,655	1,704	1,736	1,900	2,039	2,006	2,201	2,391
<b>Total expenditure</b>	<b>8,655</b>	<b>10,040</b>	<b>10,370</b>	<b>10,682</b>	<b>11,081</b>	<b>11,364</b>	<b>11,741</b>	<b>12,313</b>	<b>12,496</b>	<b>12,934</b>	<b>13,363</b>
<b>DEFICIT BEFORE TAX</b>	<b>(4,530)</b>	<b>(5,758)</b>	<b>(5,938)</b>	<b>(6,143)</b>	<b>(6,379)</b>	<b>(6,545)</b>	<b>(6,802)</b>	<b>(7,013)</b>	<b>(7,059)</b>	<b>(7,350)</b>	<b>(7,634)</b>
<b>AQUATICS AND RECREATION - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(4,530)	(5,758)	(5,938)	(6,143)	(6,379)	(6,545)	(6,802)	(7,013)	(7,059)	(7,350)	(7,634)
<b>Total rates funding requirement</b>	<b>(4,530)</b>	<b>(5,758)</b>	<b>(5,938)</b>	<b>(6,143)</b>	<b>(6,379)</b>	<b>(6,545)</b>	<b>(6,802)</b>	<b>(7,013)</b>	<b>(7,059)</b>	<b>(7,350)</b>	<b>(7,634)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(525)	(947)	(644)	(614)	(950)	(795)	(936)	(1,241)	(1,077)	(817)	(1,102)
Capital expenditure - improving services	(375)	(3,657)	(4,295)	(1,255)	(1,680)	(1,295)	(6,362)	(116)	(315)	(8,854)	(513)
Less depreciation	910	1,498	1,545	1,655	1,704	1,736	1,900	2,039	2,006	2,201	2,391
<b>Total loan (funding)/repayment</b>	<b>10</b>	<b>(3,106)</b>	<b>(3,394)</b>	<b>(214)</b>	<b>(926)</b>	<b>(354)</b>	<b>(5,398)</b>	<b>682</b>	<b>614</b>	<b>(7,470)</b>	<b>776</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(4,520)</b>	<b>(8,864)</b>	<b>(9,332)</b>	<b>(6,357)</b>	<b>(7,305)</b>	<b>(6,899)</b>	<b>(12,200)</b>	<b>(6,331)</b>	<b>(6,445)</b>	<b>(14,820)</b>	<b>(6,858)</b>

## Parks and Reserves

### What we do

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

### Why we do it

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

### Effects on community wellbeing

The Parks and Reserves activity promotes cultural wellbeing in particular through our Integrated Facilities Plan, Active Recreation and Sport Strategy, Reserves Strategic Direction, Urban Forest Plan, and CBD Making Places project. It contributes primarily to our community outcomes of healthy people, a healthy natural environment, actively engaged in community activities, and a healthy and attractive built environment. Looking at the potential for negative effects associated with this activity, parks, reserves and sportsgrounds are places where people congregate to play and this could result in noise, vandalism and injury. There could also be impacts on security, privacy and traffic volumes for neighbouring properties. The cemeteries activity can cause environmental effects. Mitigation measures are in place to address these possibilities.

### The services we provide

We own more than 5300 hectares and manage around 3000 hectares of parks, reserves, bush-clad hills, beaches, walkways, tracks, sportsgrounds and playgrounds, and around 12,500 street trees. Our customer service standards cover service quality, availability, cost, courtesy and responsiveness. Our asset management plan outlines our customer service standards for reserves, horticultural parks, sportsgrounds, playgrounds, cemeteries, street trees and wharves.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents' satisfaction with: • sportsgrounds	97%	95%	96%	≥95% of those expressing an opinion	≥95% of those expressing an opinion
• parks, reserves and gardens	96%	97%	98%	≥95% of those expressing an opinion	≥95% of those expressing an opinion
• cemeteries (measured by independent survey)	96%	97%	96%	≥90% of those expressing an opinion	≥90% of those expressing an opinion
Sports fields meet the standard agreed with sports codes (measured by audits and complaints received)	97%	97%	97%	≥95%	≥95%
Area of parks and reserves per 1000 of population	54 hectares	54 hectares	54 hectares	≥24.9 hectares	≥24.9 hectares
Percentage of households that have used or visited parks, reserves or gardens in the previous 12 months (measured by independent survey)	88%	90%	93%	≥89%	≥89%
Maintain a high standard of maintenance and development of playgrounds, parks, reserves, gardens and cemeteries (measured by audits)	95%	95%	95%	95% of contract and asset management plan requirements met	95% of contract and asset management plan requirements met

Note: Survey percentages quoted exclude those who responded 'Don't know'.







## Prospective income statement for the year ending 30 June: Parks and Reserves

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	993	1,891	1,937	1,983	2,031	2,082	2,134	2,189	2,246	2,307	2,367
Vested Assets	100	100	102	105	107	110	113	116	119	122	125
Other revenue	4	6	6	6	6	6	7	7	7	7	7
<b>Total revenue</b>	<b>1,097</b>	<b>1,997</b>	<b>2,045</b>	<b>2,094</b>	<b>2,144</b>	<b>2,198</b>	<b>2,254</b>	<b>2,312</b>	<b>2,372</b>	<b>2,436</b>	<b>2,499</b>
<b>EXPENDITURE</b>											
Employee costs	725	779	747	765	791	810	831	852	874	898	921
Support costs/internal charges	560	652	633	647	653	675	676	662	652	650	639
Operating costs	8,862	9,092	8,855	9,067	9,285	9,517	9,755	10,009	10,269	10,546	10,820
Interest expenditure	452	461	448	428	492	538	530	505	466	430	439
Depreciation	966	1,555	1,550	1,570	1,621	1,658	1,684	1,711	1,713	1,729	1,752
<b>Total expenditure</b>	<b>11,565</b>	<b>12,539</b>	<b>12,233</b>	<b>12,477</b>	<b>12,842</b>	<b>13,198</b>	<b>13,476</b>	<b>13,739</b>	<b>13,974</b>	<b>14,253</b>	<b>14,571</b>
<b>DEFICIT BEFORE TAX</b>	<b>(10,468)</b>	<b>(10,542)</b>	<b>(10,188)</b>	<b>(10,383)</b>	<b>(10,698)</b>	<b>(11,000)</b>	<b>(11,222)</b>	<b>(11,427)</b>	<b>(11,602)</b>	<b>(11,817)</b>	<b>(12,072)</b>
<b>PARKS AND RESERVES - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(10,468)	(10,542)	(10,188)	(10,383)	(10,698)	(11,000)	(11,222)	(11,427)	(11,602)	(11,817)	(12,072)
<b>Total rates funding requirement</b>	<b>(10,468)</b>	<b>(10,542)</b>	<b>(10,188)</b>	<b>(10,383)</b>	<b>(10,698)</b>	<b>(11,000)</b>	<b>(11,222)</b>	<b>(11,427)</b>	<b>(11,602)</b>	<b>(11,817)</b>	<b>(12,072)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(489)	(1,465)	(723)	(805)	(1,266)	(992)	(858)	(1,752)	(802)	(1,043)	(1,107)
Capital expenditure - improving services	(788)	(1,070)	(1,469)	(163)	(6,673)	(1,101)	(1,393)	(538)	(576)	(201)	(1,358)
Less depreciation	966	1,555	1,550	1,570	1,621	1,658	1,684	1,711	1,713	1,729	1,752
Less asset sales	-	1,500	2,560	1,992	-	-	-	-	-	-	-
<b>Total loan (funding)/repayment</b>	<b>(311)</b>	<b>520</b>	<b>1,918</b>	<b>2,594</b>	<b>(6,318)</b>	<b>(435)</b>	<b>(567)</b>	<b>(579)</b>	<b>335</b>	<b>485</b>	<b>(713)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(10,779)</b>	<b>(10,022)</b>	<b>(8,270)</b>	<b>(7,789)</b>	<b>(17,016)</b>	<b>(11,435)</b>	<b>(11,789)</b>	<b>(12,006)</b>	<b>(11,267)</b>	<b>(11,332)</b>	<b>(12,785)</b>

## Community Development

### What we do

We support our community through services such as facilitation, advocacy and consultation and through providing grants to community organisations and groups. We work with all sectors of the community, providing services through our Community Development team. We have funding relationships with government agencies to provide essential services to our community, including settlement support and safety initiatives.

### Why we do it

We've always been committed to identifying and understanding our communities so that we can respond appropriately to issues affecting them. Our support helps community groups to achieve their goals where they can't do it themselves because of a lack of resources.

### Effects on community wellbeing

The Community Development activity promotes social and cultural wellbeing in particular through our Integrated Facilities Plan and community development initiatives including our Children and Young People, Ageing Together, Settlement Support, Safe City, Disability, Gambling and Social Housing/Housing Policies. It contributes primarily to our community outcomes of a safe community, healthy people, actively engaged in community activities, strong and inclusive communities, and a well-governed city. Looking at the potential for negative effects associated with this activity, there are conflicting public perspectives about the extent of the role that councils should take in this area.

### The services we provide

We provide support to the Hutt City community around funding, settlement support, community safety and youth matters. We also help people and organisations to connect and access community services and networks.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Community organisations' satisfaction with the availability and quality of our support, advice and funding (measured by survey of community organisations)	New measure for 2009/10	84%	90%	≥90% of those expressing an opinion	≥90% of those expressing an opinion
Residents' perceptions of Hutt City in terms of their sense of safety in their local neighbourhood and in the Lower Hutt city centre during the day and after dark (measured by independent survey)	80.3%	Not measured	85% overall	≥81% of those expressing an opinion	≥81% of those expressing an opinion
Residents' satisfaction with the city overall being free of graffiti (measured by independent survey)	87%	79%	68%	≥80% of those expressing an opinion	≥80% of those expressing an opinion
New settlers' satisfaction with the availability and quality of our support, advice and training (measured by survey of new settlers)	New measure for 2011/12	New measure for 2011/12	New measure for 2011/12	≥90% of those expressing an opinion	≥90% of those expressing an opinion

Note: Survey percentages quoted exclude those who responded 'Don't know'.



**Prospective income statement for the year ending 30 June: Community Development**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	25	49	50	52	53	54	56	57	58	60	62
Other revenue	157	95	97	100	102	105	107	110	113	116	119
<b>Total revenue</b>	<b>182</b>	<b>144</b>	<b>147</b>	<b>152</b>	<b>155</b>	<b>159</b>	<b>163</b>	<b>167</b>	<b>171</b>	<b>176</b>	<b>181</b>
<b>EXPENDITURE</b>											
Employee costs	641	661	677	694	717	735	753	773	793	814	836
Support costs/internal charges	544	508	493	504	509	526	527	516	509	507	498
Operating costs	1,583	2,021	2,070	2,119	2,170	2,225	2,280	2,339	2,400	2,465	2,529
Interest expenditure	-	6	5	5	6	6	6	6	6	5	5
Depreciation	42	121	118	117	118	118	118	119	121	123	126
<b>Total expenditure</b>	<b>2,810</b>	<b>3,317</b>	<b>3,363</b>	<b>3,439</b>	<b>3,520</b>	<b>3,610</b>	<b>3,684</b>	<b>3,753</b>	<b>3,829</b>	<b>3,914</b>	<b>3,994</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,628)</b>	<b>(3,173)</b>	<b>(3,216)</b>	<b>(3,287)</b>	<b>(3,365)</b>	<b>(3,451)</b>	<b>(3,521)</b>	<b>(3,586)</b>	<b>(3,658)</b>	<b>(3,738)</b>	<b>(3,813)</b>
<b>COMMUNITY SUPPORT - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(2,628)	(3,173)	(3,216)	(3,287)	(3,365)	(3,451)	(3,521)	(3,586)	(3,658)	(3,738)	(3,813)
<b>Total rates funding requirement</b>	<b>(2,628)</b>	<b>(3,173)</b>	<b>(3,216)</b>	<b>(3,287)</b>	<b>(3,365)</b>	<b>(3,451)</b>	<b>(3,521)</b>	<b>(3,586)</b>	<b>(3,658)</b>	<b>(3,738)</b>	<b>(3,813)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	-	(75)	(51)	(63)	(54)	(99)	(68)	(93)	(190)	(61)	(188)
Capital expenditure - improving services	(149)	-	-	-	(75)	-	-	(64)	-	-	(88)
Less depreciation	42	121	118	117	118	118	118	119	121	123	126
<b>Total loan (funding)/repayment</b>	<b>(107)</b>	<b>46</b>	<b>67</b>	<b>54</b>	<b>(11)</b>	<b>19</b>	<b>50</b>	<b>(38)</b>	<b>(69)</b>	<b>62</b>	<b>(150)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,735)</b>	<b>(3,127)</b>	<b>(3,149)</b>	<b>(3,233)</b>	<b>(3,376)</b>	<b>(3,432)</b>	<b>(3,471)</b>	<b>(3,624)</b>	<b>(3,727)</b>	<b>(3,676)</b>	<b>(3,963)</b>



# GROUP UTILITY SERVICES

Group Utility Services is responsible for managing the community's infrastructural assets in the form of the roading, water supply, wastewater and stormwater networks, the wastewater treatment system and the city's landfills. These assets are maintained to agreed levels of service set out in our asset management plans.

## Roading and Traffic

### What we do

Our Roothing and Traffic 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 Hutt City. We provide sealed roads, footpaths and streetlights so that motor vehicles, bicycles and pedestrians can travel efficiently and safely.

### Effects on community wellbeing

The Roothing and Traffic activity promotes economic and cultural wellbeing in particular through our strategies for growth and development, our asset management plan and our CBD Making Places project. It contributes primarily to our community outcomes of a safe community, a strong and diverse economy, an accessible and connected city, healthy people, and a healthy and attractive built environment. Looking at the potential for negative effects associated with this activity, the potential environmental effects of growing transport demand include intensification of water runoff due to road construction, water runoff pollution from road traffic, particulates from heavy road vehicles, air emissions from road transport and associated health impacts, traffic noise and vibration, community severance relating to heavy traffic on strategic and arterial routes, loss of productive and recreational land taken for transport infrastructure, visual intrusion of roads and degradation of amenity values, and public health risks associated with traffic accidents. Transport planning considers, and includes actions to mitigate, these adverse effects.

In addition, we carry out crash reduction studies and remedial work on those areas with a high number of crashes. Works are undertaken every year to minimise traffic delays and hence air pollution. We are also active in promoting alternative means of transport.

### The services we provide

We define our customer groups and the level of service provided as:

CUSTOMER GROUP	SERVICE PROVIDED
Pedestrians and mobility assisted users	Footpaths that are smooth and free of hazards Crossings that are safe and easy to negotiate for all users
Cyclists	Cycling lanes that give separation from heavy traffic and safer access for cyclists around the city
Motorists	A roading network that enables easy and comfortable movement for vehicles throughout the city with a high level of safety and a low level of delays
Heavy vehicle drivers	Roads suitable for heavy transport over all main routes including routes for over-dimensional vehicles
Utility users	Organised and separate spaces, in the berm if possible, for the installation and maintenance of underground services
Residents & businesses	A roading network that provides convenient access to property and discourages inappropriate traffic activity in residential areas Planned maintenance work that minimises the impact of road works on residents and businesses
Developers	Advice on servicing of developments
All users	A streetscape that is attractive, safe, clean and well lit at night Parking that is conveniently available throughout the city to meet the needs including those of retailers, shoppers, commuters and visitors

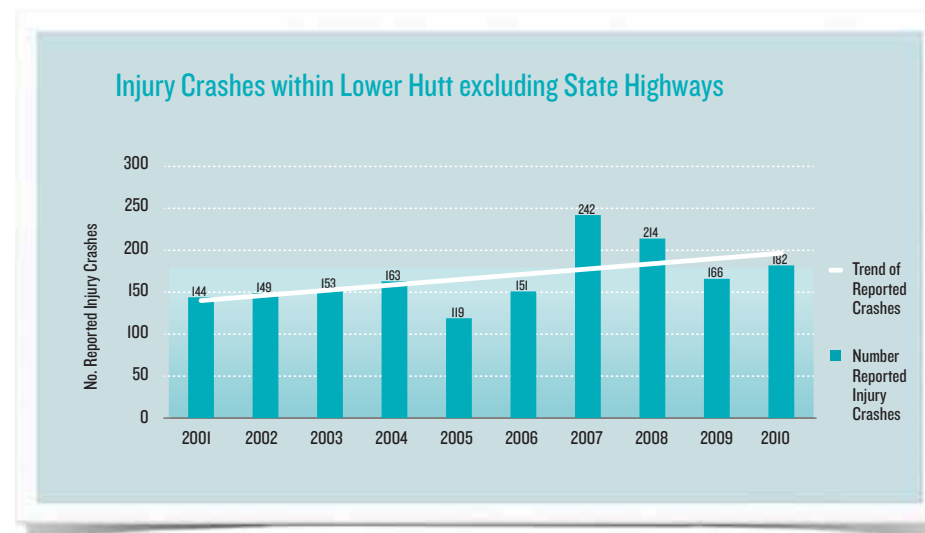
Our customer service standards cover service quality, road safety, service accessibility and responsiveness, and are contained in our asset management plan.



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

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents' satisfaction with: <ul style="list-style-type: none"> <li>street lighting</li> <li>roads and gutters being free of litter</li> <li>traffic control</li> <li>footpaths</li> <li>roads</li> <li>parking in and around Hutt City (measured by independent survey)</li> </ul>	88%	88%	91%	≥88% of those expressing an opinion ≥87% of those expressing an opinion ≥83% of those expressing an opinion ≥79% of those expressing an opinion ≥78% of those expressing an opinion ≥73% of those expressing an opinion	Better than our historical average or the average of our peer councils, whichever is the higher, for each of these measures
'Road Condition Index', which measures the condition of the road surface (measured by NZTA). Note: A lower number indicates an improved rating	1.4	2.0	1.7	Hold or improve rating	Hold or improve rating
'Quality of Ride' measured by the percentage of the road network with roughness less than 150 NAASRA (National Association of Australian State Roading Authorities) counts.  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	77.7%	80.7%	79.4%	Hold or improve rating	Hold or improve rating  Note: Previously the 'Smooth Travel Exposure' roughness index was used, taking into account the number of vehicles on different parts of the network. However, NAASRA counts are considered the more reliable measure and NZTA now produce benchmarking data relating to NAASRA counts
Accident trend (measured by NZTA)	See graph	See graph	See graph	Contribute to a reducing trend over 10 years	Contribute to a reducing trend over 10 years

Note: Survey percentages quoted exclude those who responded 'Don't know'.



**Major projects planned**

	2012-13 COST \$000	2013-14 COST \$000	2014-15 COST \$000	2015-16 COST \$000	2016-17 COST \$000	2017-18 COST \$000	2018-19 COST \$000	2019-20 COST \$000	2020-21 COST \$000	2021-22 COST \$000	2022-23 COST \$000	2023-24 COST \$000	2024-25 COST \$000	2025-26 COST \$000	2026-27 COST \$000	2027-28 COST \$000	2028-29 COST \$000	2029-30 COST \$000	2030-31 COST \$000	2031-32 COST \$000	
<b>Capital Replacements</b>																					
Carpark Resurfacing	52	52	53	55	56	58	59	61	62	64	65	67	69	71	73	74	76	78	80	82	
Estuary Bridge Corrosion Protection (Subsidy 49%)				888							1,231			932							
Footpath Resurfacing & Replacement	210	210	215	220	226	231	237	243	250	257	270	277	284	291	299	307	314	323	331	340	
Minor Road & Footpath Construction	74	76	78	79	81	83	86	88	90	93	95	97	100	103	105	108	111	114	117	120	
Minor Safety Works (Subsidy 59%)	52	52	53	55	56	58	59	61	62	64	67	68	70	72	74	76	78	80	82	84	
Pavement Surfacing (Subsidy 49%)	3,115	3,220	3,277	3,941	4,039	4,140	3,901	4,002	4,110	4,217	4,327	4,439	4,554	4,673	4,794	4,919	5,047	5,178	5,313	5,451	
Pavements - Area Wide Pavement Treatment (Subsidy 49%)	1,733	1,836	1,854	2,703	2,770	2,839	2,604	2,672	2,744	2,815	2,889	2,964	3,041	3,120	3,201	3,284	3,370	3,457	3,547	3,639	
Pavements - Road Smoothing (Subsidy 59%)	185	189	194	854	875	897	920	944	970	995	1,021	1,047	1,074	1,102	1,131	1,160	1,191	1,222	1,253	1,286	
Pavements - Wainuiomata Hill Rd Safety Seal (Subsidy 49%)	800	727	792	591	605	620	637	653	671	688	706	724	743	763	782	803	824	845	867	890	
Pay & Display Extension				322	330	338						395	405	416						485	
Pedestrian Crossing Renewal (Subsidy 59%)	31	32	33	33	34	35	36	37	38	39	40	41	42	43	44	45	46	48	49	50	
Road Reconstruction (Heretaunga Street / High Street) (Subsidy 18%)				1,042																	
Road Reconstruction (Out years) (Queen St 2014/15) (Subsidy 18%)				838	448	459		483	496	509	523	536	550	564	579	594	610	625	642	658	
Street Name Sign Replacement (Subsidy 49%)	20	20	21	21	22	23	23	24	24	25	26	26	27	28	28	29	30	31	32	32	
Streetlight Lantern Replacement Programme (Subsidy 49%)	51	52	53	55	56	58	59	61	62	64	65	67	69	71	73	74	76	78	80	82	
Streetlight Standard Replacement (Subsidy 49%)	100	102	105	107	110	113	116	119	122	125	128	132	135	139	142	146	150	154	158	162	
Traffic Signal Replacement (Subsidy 49%)	150	169	178	183	187	192	197	202	207	213	193	198	203	208	213	219	225	230	236	243	



## Prospective income statement for the year ending 30 June: Roading and Traffic

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	3,536	3,676	3,764	3,855	3,947	4,046	4,147	4,255	4,365	4,483	4,600
Operating contributions	3,498	3,504	3,539	3,624	3,876	3,973	4,072	4,178	4,287	4,403	4,517
Capital contributions	4,784	4,112	4,214	4,359	5,771	16,198	5,396	6,913	5,843	5,494	5,637
Development and financial contributions	30	80	82	84	86	88	90	93	95	98	100
Vested Assets	30	200	205	210	215	220	226	231	238	244	250
Other revenue	493	515	527	540	553	567	581	596	612	628	644
<b>Total revenue</b>	<b>12,371</b>	<b>12,087</b>	<b>12,331</b>	<b>12,672</b>	<b>14,448</b>	<b>25,092</b>	<b>14,512</b>	<b>16,266</b>	<b>15,440</b>	<b>15,350</b>	<b>15,748</b>
<b>EXPENDITURE</b>											
Employee costs	1,200	1,141	1,168	1,196	1,237	1,268	1,300	1,334	1,368	1,405	1,442
Support costs/internal charges	2,094	2,136	2,072	2,118	2,140	2,209	2,213	2,168	2,136	2,128	2,092
Operating costs	10,449	10,933	11,093	11,359	11,632	11,922	12,220	12,538	12,864	13,211	13,555
Interest expenditure	1,603	1,575	1,528	1,463	1,681	1,836	1,811	1,723	1,591	1,468	1,499
Depreciation	10,195	9,771	9,646	10,103	10,605	10,946	11,809	12,387	12,407	12,996	13,569
<b>Total expenditure</b>	<b>25,541</b>	<b>25,556</b>	<b>25,507</b>	<b>26,239</b>	<b>27,295</b>	<b>28,181</b>	<b>29,353</b>	<b>30,150</b>	<b>30,366</b>	<b>31,208</b>	<b>32,157</b>
<b>DEFICIT BEFORE TAX</b>	<b>(13,170)</b>	<b>(13,469)</b>	<b>(13,176)</b>	<b>(13,567)</b>	<b>(12,847)</b>	<b>(3,089)</b>	<b>(14,841)</b>	<b>(13,884)</b>	<b>(14,926)</b>	<b>(15,858)</b>	<b>(16,409)</b>
<b>ROADING AND TRAFFIC - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(13,170)	(13,469)	(13,176)	(13,567)	(12,847)	(3,089)	(14,841)	(13,884)	(14,926)	(15,858)	(16,409)
Add capital contributions	(4,814)	(4,192)	(4,296)	(4,443)	(5,857)	(16,286)	(5,486)	(7,006)	(5,938)	(5,592)	(5,737)
<b>Total rates funding requirement</b>	<b>(17,984)</b>	<b>(17,661)</b>	<b>(17,472)</b>	<b>(18,010)</b>	<b>(18,704)</b>	<b>(19,375)</b>	<b>(20,327)</b>	<b>(20,890)</b>	<b>(20,864)</b>	<b>(21,450)</b>	<b>(22,146)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(7,106)	(6,573)	(6,739)	(6,906)	(11,985)	(9,896)	(10,144)	(8,933)	(9,649)	(9,909)	(10,167)
Capital expenditure - improving services	(2,328)	(2,046)	(1,942)	(2,025)	(1,598)	(27,413)	(1,552)	(5,435)	(2,465)	(1,678)	(1,722)
Less capital contributions	4,814	4,192	4,296	4,443	5,857	16,286	5,486	7,006	5,938	5,592	5,737
Less depreciation	10,195	9,771	9,646	10,103	10,605	10,946	11,809	12,387	12,407	12,996	13,569
<b>Total loan (funding)/repayment</b>	<b>5,575</b>	<b>5,344</b>	<b>5,261</b>	<b>5,615</b>	<b>2,879</b>	<b>(10,077)</b>	<b>5,599</b>	<b>5,025</b>	<b>6,231</b>	<b>7,001</b>	<b>7,417</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(12,409)</b>	<b>(12,317)</b>	<b>(12,211)</b>	<b>(12,395)</b>	<b>(15,825)</b>	<b>(29,452)</b>	<b>(14,728)</b>	<b>(15,865)</b>	<b>(14,633)</b>	<b>(14,449)</b>	<b>(14,729)</b>



## 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 system. 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.

### 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.

### Effects on community wellbeing

The Water Supply activity promotes economic and environmental wellbeing in particular through our Environmental Sustainability Strategy and our asset management plan. It contributes primarily to our community outcomes of a strong and diverse economy, an accessible and connected city, healthy people, a healthy natural environment, and strong and inclusive communities. Looking at the potential for negative effects associated with this activity, degradation of watercourses due to the rate of extraction of water, and degradation of habitats affected by construction or management requirements for water sources, are potentially significant negative effects.

GWRC is responsible for the extraction, treatment and supply of water into the city's water supply system. Extraction is managed to ensure that potential adverse effects are minimised to acceptable levels. We will contribute towards managing the demand for water and therefore the requirement to develop new water sources through water conservation programmes, playing a leading role (through Capacity) in regional initiatives to manage the demand for water in the Wellington region, and supporting a bulk water charging system that incorporates incentives for water conservation.

### The services we provide

We define our customer groups and the service provided as:

CUSTOMER GROUP	SERVICE PROVIDED
Residents and ratepayers	Reticulated water supply Firefighting supply Te Puna Wai Ora natural water supply
Commercial water users	Drinking water supply Firefighting supply
Industrial water users	Drinking water supply Industrial water supply Firefighting supply
Developers	Advice on servicing of developments
New Zealand Fire Service	Firefighting supply

Our customer service standards cover water quality, service availability, courtesy and target response times, and are contained in our asset management plan.

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

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents' satisfaction with the city water supply (measured by independent survey)	95%	97%	98%	≥95% of those expressing an opinion	≥95% of those expressing an opinion
Compliance with New Zealand Drinking Water Standards	Achieved full compliance with 1587 of the 1590 tests carried out	Achieved full compliance	Achieved full compliance	Full compliance	Full compliance
Quality of water (measured by Ministry of Health) Note: 'b' grading means a satisfactory, low level of risk. Most of Hutt City water supply is unchlorinated. Chlorination of the water supply would be required to achieve an 'a' grading	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Achieved a 'b' grading from the Ministry of Health for the Hutt City water supply distribution	Achieve a 'b' grading from the Ministry of Health for the Hutt City water supply	Achieve a 'b' grading from the Ministry of Health for the Hutt City water supply
Provide a reliable water supply service (measured by contract reports)	Achieved 1.99 unplanned supply cuts per 1000 connections	Achieved 2.415 unplanned supply cuts per 1000 connections	Achieved 2.61 unplanned supply cuts per 1000 connections	Fewer than four unplanned supply cuts per 1000 connections	Fewer than four unplanned supply cuts per 1000 connections
Respond promptly to water supply disruptions (measured by contract reports)	98%	99%	99.53%	97% of requests responded to within one hour of notification	97% of requests responded to within one hour of notification
Maintain the average un-metered water consumption in Hutt City	Not measured	Achieved 304 litres per head per day	Achieved 308 litres per head per day	Less than 350 litres per head per day	Less than 350 litres per head per day

Note: Survey percentages quoted exclude those who responded 'Don't know'. We work to meet these measures through Capacity.





	2012-13 COST \$000	2013-14 COST \$000	2014-15 COST \$000	2015-16 COST \$000	2016-17 COST \$000	2017-18 COST \$000	2018-19 COST \$000	2019-20 COST \$000	2020-21 COST \$000	2021-22 COST \$000	2022-23 COST \$000	2023-24 COST \$000	2024-25 COST \$000	2025-26 COST \$000	2026-27 COST \$000	2027-28 COST \$000	2028-29 COST \$000	2029-30 COST \$000	2030-31 COST \$000	2031-32 COST \$000
Pumping Stations Energy Conservation											257	263	270	277						
Rata Reservoir Roof & Seismic Upgrade											385									
Reservoir Seismic Upgrade - Delaney Reservoir				698																
Reservoir Seismic Upgrade - Gawler Reservoir												922								
Reservoir Seismic Upgrade - Kamahi Reservoir																				647
Reservoir Seismic Upgrade - Kingsley Reservoir					550															
Reservoir Seismic Upgrade - Konini Reservoir				834																
Reservoir Seismic Upgrade - Korokoro Reservoir																				473
Reservoir Seismic Upgrade - Manor Park Reservoir																		307		
Reservoir Seismic Upgrade - Park Road Reservoir																	899			
Reservoir Seismic Upgrade - Sunville Reservoir																365				
Reservoir Seismic Upgrade - Taita Reservoir				698																
Reservoir Seismic Upgrade - Titiro Moana Reservoir																				485
Seaview/Petone Link Main																		1,844		
Sweetacres Reservoir Upgrade					1,112															
Sweetacres Watermain Upgrade						575														
Tirohanga Reservoir Construction																		615		
Water Conservation											321	329	338							

## Prospective income statement for the year ending 30 June: Water Supply

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	2,310	2,310	2,365	2,422	2,480	2,542	2,606	2,674	2,743	2,817	2,890
Development and financial contributions	15	40	41	42	43	44	45	46	48	49	50
Vested Assets	100	100	102	105	107	110	113	116	119	122	125
<b>Total revenue</b>	<b>2,425</b>	<b>2,450</b>	<b>2,508</b>	<b>2,569</b>	<b>2,630</b>	<b>2,696</b>	<b>2,764</b>	<b>2,836</b>	<b>2,910</b>	<b>2,988</b>	<b>3,065</b>
<b>EXPENDITURE</b>											
Support costs/internal charges	311	372	361	369	372	385	385	377	372	370	364
Operating costs	9,978	10,360	10,874	11,418	11,993	12,614	13,272	13,982	14,736	15,550	16,398
Interest expenditure	337	331	321	307	353	385	380	362	334	308	315
Depreciation	3,065	3,258	3,196	3,169	3,182	3,227	3,251	3,274	3,311	3,351	3,392
<b>Total expenditure</b>	<b>13,691</b>	<b>14,321</b>	<b>14,752</b>	<b>15,263</b>	<b>15,900</b>	<b>16,611</b>	<b>17,288</b>	<b>17,995</b>	<b>18,753</b>	<b>19,579</b>	<b>20,469</b>
<b>DEFICIT BEFORE TAX</b>	<b>(11,266)</b>	<b>(11,871)</b>	<b>(12,244)</b>	<b>(12,694)</b>	<b>(13,270)</b>	<b>(13,915)</b>	<b>(14,524)</b>	<b>(15,159)</b>	<b>(15,843)</b>	<b>(16,591)</b>	<b>(17,404)</b>
<b>WATER SUPPLY - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(11,266)	(11,871)	(12,244)	(12,694)	(13,270)	(13,915)	(14,524)	(15,159)	(15,843)	(16,591)	(17,404)
Add capital contributions	(15)	(40)	(41)	(42)	(43)	(44)	(45)	(46)	(48)	(49)	(50)
<b>Total rates funding requirement</b>	<b>(11,281)</b>	<b>(11,911)</b>	<b>(12,285)</b>	<b>(12,736)</b>	<b>(13,313)</b>	<b>(13,959)</b>	<b>(14,569)</b>	<b>(15,205)</b>	<b>(15,891)</b>	<b>(16,640)</b>	<b>(17,454)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(2,014)	(1,998)	(2,259)	(2,179)	(2,222)	(2,559)	(2,595)	(2,883)	(3,076)	(3,086)	(3,166)
Capital expenditure - improving services	(200)	(440)	(154)	-	(2,767)	(1,805)	(1,083)	(1,505)	(1,544)	(1,585)	(1,627)
Less capital contributions	15	40	41	42	43	44	45	46	48	49	50
Less depreciation	3,065	3,258	3,196	3,169	3,182	3,227	3,251	3,274	3,311	3,351	3,392
<b>Total loan (funding)/repayment</b>	<b>866</b>	<b>860</b>	<b>824</b>	<b>1,032</b>	<b>(1,764)</b>	<b>(1,093)</b>	<b>(382)</b>	<b>(1,068)</b>	<b>(1,261)</b>	<b>(1,271)</b>	<b>(1,351)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(10,415)</b>	<b>(11,051)</b>	<b>(11,461)</b>	<b>(11,704)</b>	<b>(15,077)</b>	<b>(15,052)</b>	<b>(14,951)</b>	<b>(16,273)</b>	<b>(17,152)</b>	<b>(17,911)</b>	<b>(18,805)</b>



## Wastewater

### What we do

We provide a piping 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.

### Effects on community wellbeing

The Wastewater activity promotes economic and environmental wellbeing in particular through our Environmental Sustainability Strategy and our asset management plan. It contributes primarily to our community outcomes of a strong and diverse economy, an accessible and connected city, healthy people, a healthy natural environment, and strong and inclusive communities. Looking at the potential for negative effects associated with this activity, the discharge of odours from the wastewater infrastructure, overflows from the wastewater system at variance with cultural values of iwi, and degradation of watercourses due to overflows from the wastewater system, are potentially significant negative effects.

Discharges to air are controlled through the resource consent process and rules in the Regional Air Quality Management Plan. The discharge of odours from the wastewater infrastructure is unlikely to be of an extent that would cause environmental degradation but may be offensive to the community. Odour control systems have been fitted to parts of the wastewater infrastructure where odour problems have been experienced. Reports of odour are monitored through the HCC Request for Service system and through reports from the wastewater system maintenance and operations contractor.

Areas where overflows due to wet weather overloading of the wastewater system have been experienced are being progressively upgraded using a combination of measures. These include reducing wet weather discharges from private drains, upgrading pipelines and the provision of wet weather storage. Upgrading is carried out through the asset renewal programme, which provides for the replacement of every wastewater pipeline as it reaches the end of its useful life, and through the asset development programme, which reflects long term demand projections for the wastewater system.

### The services we provide

We define our customer groups and the service provided as:

CUSTOMER GROUP	SERVICE PROVIDED
Residents	Reticulated domestic wastewater disposal
Commercial properties	Reticulated wastewater disposal Commercial (trade waste) wastewater disposal
Industries	Reticulated wastewater disposal Industrial (trade waste) wastewater disposal
Developers	Advice on servicing of developments

Our customer service standards cover service availability, courtesy, responsiveness and environmental protection, and are contained in our asset management plan.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents' satisfaction with the city wastewater service (measured by independent survey)	97%	95%	97%	≥95% of those expressing an opinion	≥95% of those expressing an opinion
No resource consent-related infringement notices received from GWRC	100% compliance	100% compliance	100% compliance	100% compliance	100% compliance
Provide a reliable wastewater service (measured by contract reports)	Achieved 0.7975 incidents	Achieved 0.875 incidents	Achieved 1.01 incidents	Fewer than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline	Fewer than 1.2 wastewater incidents reported per kilometre of wastewater reticulation pipeline
Respond promptly to wastewater disruptions (measured by contract reports)	98%	96%	99.93%	97% of requests responded to within one hour of notification	97% of requests responded to within one hour of notification

Note: Survey percentages quoted exclude those who responded 'Don't know'. We work to meet these measures through Capacity.



## Prospective income statement for the year ending 30 June: Wastewater

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	829	1,084	1,110	1,137	1,164	1,193	1,223	1,255	1,287	1,322	1,356
Upper Hutt CC operating contribution	2,363	2,420	2,391	2,448	2,507	2,569	2,634	2,702	2,772	2,847	2,921
Development and financial contributions	160	410	420	430	440	451	463	475	487	500	513
Vested Assets	100	100	102	105	107	110	113	116	119	122	125
Other revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>3,452</b>	<b>4,014</b>	<b>4,023</b>	<b>4,120</b>	<b>4,218</b>	<b>4,323</b>	<b>4,433</b>	<b>4,548</b>	<b>4,665</b>	<b>4,791</b>	<b>4,915</b>
<b>EXPENDITURE</b>											
Support costs/internal charges	541	833	808	826	834	861	863	845	833	830	816
Operating costs	11,211	11,374	11,182	11,450	11,725	12,018	12,319	12,639	12,968	13,318	13,664
Interest expenditure	816	808	784	750	862	942	929	884	816	753	769
Depreciation	6,531	6,662	6,554	6,513	6,510	6,516	6,488	6,469	6,472	6,881	7,444
<b>Total expenditure</b>	<b>19,099</b>	<b>19,677</b>	<b>19,328</b>	<b>19,539</b>	<b>19,931</b>	<b>20,337</b>	<b>20,599</b>	<b>20,837</b>	<b>21,089</b>	<b>21,782</b>	<b>22,693</b>
<b>DEFICIT BEFORE TAX</b>	<b>(15,647)</b>	<b>(15,663)</b>	<b>(15,305)</b>	<b>(15,419)</b>	<b>(15,713)</b>	<b>(16,014)</b>	<b>(16,166)</b>	<b>(16,289)</b>	<b>(16,424)</b>	<b>(16,991)</b>	<b>(17,778)</b>
<b>WASTEWATER - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(15,647)	(15,663)	(15,305)	(15,419)	(15,713)	(16,014)	(16,166)	(16,289)	(16,424)	(16,991)	(17,778)
Add capital contributions	(160)	(410)	(420)	(430)	(440)	(451)	(463)	(475)	(487)	(500)	(513)
<b>Total rates funding requirement</b>	<b>(15,807)</b>	<b>(16,073)</b>	<b>(15,725)</b>	<b>(15,849)</b>	<b>(16,153)</b>	<b>(16,465)</b>	<b>(16,629)</b>	<b>(16,764)</b>	<b>(16,911)</b>	<b>(17,491)</b>	<b>(18,291)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(4,904)	(4,529)	(4,077)	(4,365)	(4,466)	(5,294)	(4,621)	(5,395)	(5,197)	(19,752)	(5,526)
Capital expenditure - improving services	(797)	(850)	(870)	(682)	(3,275)	(440)	(508)	(984)	(1,556)	(18,050)	(14,015)
Less capital contributions	160	410	420	430	440	451	463	475	487	500	513
Less UHCC capital contribution	363	666	696	638	1,363	553	405	762	813	9,751	4,854
Less depreciation	6,531	6,662	6,554	6,513	6,510	6,516	6,488	6,469	6,472	6,881	7,444
<b>Total loan (funding)/repayment</b>	<b>1,353</b>	<b>2,359</b>	<b>2,723</b>	<b>2,534</b>	<b>572</b>	<b>1,786</b>	<b>2,227</b>	<b>1,327</b>	<b>1,019</b>	<b>(20,670)</b>	<b>(6,730)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(14,454)</b>	<b>(13,714)</b>	<b>(13,002)</b>	<b>(13,315)</b>	<b>(15,581)</b>	<b>(14,679)</b>	<b>(14,402)</b>	<b>(15,437)</b>	<b>(15,892)</b>	<b>(38,161)</b>	<b>(25,021)</b>



## Stormwater

### What we do

We provide a stormwater drainage system 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.

### Why we do it

Most of the development in Hutt City 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.

### Effects on community wellbeing

The Stormwater activity promotes economic and environmental wellbeing in particular through our Environmental Sustainability Strategy and our asset management plan. It contributes primarily to our community outcomes of a safe community, a strong and diverse economy, an accessible and connected city, healthy people, a healthy natural environment, strong and inclusive communities, and a healthy and attractive built environment. Looking at the potential for negative effects associated with this activity, the discharge of contaminants in stormwater to watercourses, and flooding when the capacity of the stormwater system is exceeded, are potentially significant negative effects.

Pollution prevention programmes, road cleaning programmes and debris pits incorporated in the majority of inlets to the stormwater system all assist in minimising the entry of contaminants, and are supplemented by our monitoring regime. The stormwater system is designed to standards which reflect the level of risk at different locations and are comparable to design standards in other New Zealand cities. The asset development programme progressively addresses gaps between the current levels of protection and target design standards. We also work with Greater Wellington Regional Council with respect to flooding issues associated with watercourses under Regional Council management.

### The services we provide

We define our customer groups and the service provided as:

CUSTOMER GROUP	SERVICE PROVIDED
Residents	Reticulated primary stormwater system Minimising the adverse effect of stormwater runoff that exceeds the capacity of the primary stormwater system Managing environmental effects of stormwater discharges
Commercial properties	Reticulated primary stormwater system Minimising the adverse effect of stormwater runoff that exceeds the capacity of the primary stormwater system Managing environmental effects of stormwater discharges
Industries	Reticulated primary stormwater system Minimising the adverse effect of stormwater runoff that exceeds the capacity of the primary stormwater system Managing environmental effects of stormwater discharges
Developers	Advice on servicing of developments

Our customer service standards cover service availability, courtesy, target response times and environmental protection, and are contained in our asset management plan.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents' satisfaction with the city stormwater service (measured by independent survey)	81%	83%	87%	≥80% of those expressing an opinion	≥80% of those expressing an opinion
Provide a reliable stormwater service (measured by contract reports)	Achieved 0.1287 incidents	Achieved 0.169 incidents	Achieved 0.13 incidents	Fewer than 0.5 stormwater incidents reported per kilometre of stormwater pipeline	Fewer than 0.5 stormwater incidents reported per kilometre of stormwater pipeline
Achieve water quality at main recreational beaches (measured by contract reports)	Achieved Recreational Water Quality Standards	Achieved Recreational Water Quality Standards on 95% of sampling days	Achieved Recreational Water Quality Standards on 94% of sampling days	90% of sampling days when water quality meets Ministry for the Environment guidelines	90% of sampling days when water quality meets Ministry for the Environment guidelines
Respond promptly to stormwater disruptions (measured by contract reports)	99%	98%	99.75%	97% of requests responded to within one hour of notification	97% of requests responded to within one hour of notification

Note: Survey percentages quoted exclude those who responded 'Don't know'. We work to meet these measures through Capacity.





**Prospective income statement for the year ending 30 June: Stormwater**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	2	3	3	3	3	3	3	3	3	3	3
Operating contributions	7	7	7	7	8	8	8	8	8	9	9
Development and financial contributions	66	170	174	178	183	187	192	197	202	207	213
Vested Assets	100	100	102	105	107	110	113	116	119	122	125
Other revenue	-	-	-	-	-	-	-	-	-	-	-
<b>Total revenue</b>	<b>175</b>	<b>280</b>	<b>286</b>	<b>293</b>	<b>301</b>	<b>308</b>	<b>316</b>	<b>324</b>	<b>332</b>	<b>341</b>	<b>350</b>
<b>EXPENDITURE</b>											
Support costs/internal charges	315	359	348	356	360	371	372	364	359	358	352
Operating costs	3,189	3,313	3,341	3,421	3,503	3,591	3,681	3,776	3,875	3,979	4,083
Interest expenditure	503	498	483	462	531	580	572	545	503	464	474
Depreciation	2,700	2,943	2,911	2,999	3,098	3,108	3,239	3,365	3,362	3,478	3,579
<b>Total expenditure</b>	<b>6,707</b>	<b>7,113</b>	<b>7,083</b>	<b>7,238</b>	<b>7,492</b>	<b>7,650</b>	<b>7,864</b>	<b>8,050</b>	<b>8,099</b>	<b>8,279</b>	<b>8,488</b>
<b>DEFICIT BEFORE TAX</b>	<b>(6,532)</b>	<b>(6,833)</b>	<b>(6,797)</b>	<b>(6,945)</b>	<b>(7,191)</b>	<b>(7,342)</b>	<b>(7,548)</b>	<b>(7,726)</b>	<b>(7,767)</b>	<b>(7,938)</b>	<b>(8,138)</b>
<b>STORMWATER - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(6,532)	(6,833)	(6,797)	(6,945)	(7,191)	(7,342)	(7,548)	(7,726)	(7,767)	(7,938)	(8,138)
Add capital contributions	(66)	(170)	(174)	(178)	(183)	(187)	(192)	(197)	(202)	(207)	(213)
<b>Total rates funding requirement</b>	<b>(6,598)</b>	<b>(7,003)</b>	<b>(6,971)</b>	<b>(7,123)</b>	<b>(7,374)</b>	<b>(7,529)</b>	<b>(7,740)</b>	<b>(7,923)</b>	<b>(7,969)</b>	<b>(8,145)</b>	<b>(8,351)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(1,079)	(750)	(751)	(765)	(781)	(933)	(812)	(830)	(849)	(872)	(895)
Capital expenditure - improving services	(3,437)	(1,590)	(1,172)	(786)	(2,480)	(3,280)	(3,132)	(2,928)	(1,781)	(2,329)	-
Less capital contributions	66	170	174	178	183	187	192	197	202	207	213
Less depreciation	2,700	2,943	2,911	2,999	3,098	3,108	3,239	3,365	3,362	3,478	3,579
<b>Total loan (funding)/repayment</b>	<b>(1,750)</b>	<b>773</b>	<b>1,162</b>	<b>1,626</b>	<b>20</b>	<b>(918)</b>	<b>(513)</b>	<b>(196)</b>	<b>934</b>	<b>484</b>	<b>2,897</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(8,348)</b>	<b>(6,230)</b>	<b>(5,809)</b>	<b>(5,497)</b>	<b>(7,354)</b>	<b>(8,447)</b>	<b>(8,253)</b>	<b>(8,119)</b>	<b>(7,035)</b>	<b>(7,661)</b>	<b>(5,454)</b>





**Prospective income statement for the year ending 30 June: Solid Waste**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	10,485	11,877	12,162	13,334	13,654	13,996	13,894	14,255	14,626	15,021	15,412
Other revenue	-	10	10	10	11	11	11	12	12	12	13
<b>Total revenue</b>	<b>10,485</b>	<b>11,887</b>	<b>12,172</b>	<b>13,344</b>	<b>13,665</b>	<b>14,007</b>	<b>13,905</b>	<b>14,267</b>	<b>14,638</b>	<b>15,033</b>	<b>15,425</b>
<b>EXPENDITURE</b>											
Support costs/internal charges	156	179	174	178	179	185	186	182	179	178	175
Operating costs	5,171	5,612	5,747	6,765	6,928	7,101	7,053	7,236	7,424	7,625	7,823
Interest expenditure	165	-	-	-	-	-	-	-	-	-	-
Depreciation	455	465	464	476	490	498	518	538	549	568	586
<b>Total expenditure</b>	<b>5,947</b>	<b>6,256</b>	<b>6,385</b>	<b>7,419</b>	<b>7,597</b>	<b>7,784</b>	<b>7,757</b>	<b>7,956</b>	<b>8,152</b>	<b>8,371</b>	<b>8,584</b>
<b>SURPLUS BEFORE TAX</b>	<b>4,538</b>	<b>5,631</b>	<b>5,787</b>	<b>5,925</b>	<b>6,068</b>	<b>6,223</b>	<b>6,148</b>	<b>6,311</b>	<b>6,486</b>	<b>6,662</b>	<b>6,841</b>
<b>SOLID WASTE - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	4,538	5,631	5,787	5,925	6,068	6,223	6,148	6,311	6,486	6,662	6,841
<b>Total rates funding requirement</b>	<b>4,538</b>	<b>5,631</b>	<b>5,787</b>	<b>5,925</b>	<b>6,068</b>	<b>6,223</b>	<b>6,148</b>	<b>6,311</b>	<b>6,486</b>	<b>6,662</b>	<b>6,841</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - improving services	(2,300)	(2,195)	(722)	(1,316)	(875)	(1,436)	(1,867)	(1,447)	(1,484)	(1,524)	(1,564)
Less depreciation	455	465	464	476	490	498	518	538	549	568	586
<b>Total loan (funding)/repayment</b>	<b>(1,845)</b>	<b>(1,730)</b>	<b>(258)</b>	<b>(840)</b>	<b>(385)</b>	<b>(938)</b>	<b>(1,349)</b>	<b>(909)</b>	<b>(935)</b>	<b>(956)</b>	<b>(978)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>2,693</b>	<b>3,901</b>	<b>5,529</b>	<b>5,085</b>	<b>5,683</b>	<b>5,285</b>	<b>4,799</b>	<b>5,402</b>	<b>5,551</b>	<b>5,706</b>	<b>5,863</b>



# GROUP ENVIRONMENT

## Environmental Management

### What we do

This activity includes:

- developing, implementing and monitoring the District Plan, relevant bylaws and other environmental policies and plans for Hutt City’s sustainable development
- providing resource management and building consents and inspections, and environmental health and animal services
- regular monitoring to ensure compliance with legislative requirements, the District Plan, resource and building consent conditions and bylaw requirements
- inspections of business and food premises, certifications, liquor licensing law compliance and pollution and trade waste control, and monitoring beaches to promote and protect public health and safety
- monitoring and controlling noise and hazardous substances.

### Why we do it

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment. It’s also a legal requirement for Hutt City Council.

### Effects on community wellbeing

The Environmental Management activity promotes environmental wellbeing in particular through our District Plan. It contributes primarily to our community outcomes of a safe community, a strong and diverse economy, an accessible and connected city, healthy people, a healthy natural environment, and a healthy and attractive built environment. Looking at the potential for negative effects associated with this activity, people’s perceptions of personal freedom can be reduced through the need for regulatory activities for the benefit of the wider community. Regulatory activities can also be interpreted by the users of those services as causing costs and delays.

### The services we provide

Environmental management activities are largely regulatory in nature and many have an operational focus involving timeframes set out in legislation. The main pieces of legislation covering environmental management activities are the Building Act 2004, Bylaws Act 1910, Dog Control Act 1996, Food Act 1981, Forest and Rural Fires Act 1977, Gambling Act 2003, Health Act 1956, Hutt Valley Drainage Act 1967, Litter Act 1979, Local Government Act 2002, Resource Management Act 1991, Sale of Liquor Act 1989 and Wild Animal Control Act 1977. This is not a complete list as we’re also bound by general legislation.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents’ satisfaction with:					
• animal services	88%	80%	87%	≥82% of those expressing an opinion	≥82% of those expressing an opinion
• parking services	New measure for 2011-12	New measure for 2011-12	New measure for 2011-12	≥65% of those expressing an opinion	≥65% of those expressing an opinion
• environmental health services (measured by independent or customer surveys)	New measure for 2011-12	New measure for 2011-12	New measure for 2011-12	≥75% of those expressing an opinion	≥75% of those expressing an opinion
Land Information Memoranda (LIMs) processed to comply with statutory requirements (measured by management reports)	97% processed within nine working days	96% processed within nine working days	97% processed within nine working days	90% processed within nine working days	90% 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 (measured by computer database records)	72% of building consents and 88% of non-notified land use consents processed within 18 working days	99% of building consents and 91% of non-notified land use consents processed within 18 working days	100% of building consents and 91% of non-notified land use consents processed within 18 working days	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	New measure for 2010-11	New measure for 2010-11	99% of resource consents monitored within these timeframes	90% of resource consents monitored within these timeframes	90% of resource consents monitored within these timeframes

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Requests for service referred to RMA monitoring and enforcement team responded to within required timeframes (measured by management and computer database reports)	99% acknowledged within 48 hours	100% acknowledged within 48 hours	100% acknowledged within 24 hours	100% acknowledged within 24 hours	100% acknowledged within 24 hours
Building consents for fireplaces processed in a timely manner (measured by computer database records)	New measure for 2009-10	100% processed within five working days	100% processed within five working days	100% processed within five working days	100% processed within five working days
Building consents for solar panels processed in a timely manner (measured by computer database records)	New measure for 2009-10	100% processed within five working days	100% processed within five working days	100% processed within five working days	100% processed within five working days
Food premises registered or licensed: within 30 days of application (for premises operating under the Food Hygiene Regulations 1974)	97%	98%	98%	90%	90%
within three months (for premises with a Food Control Plan operating under the Food Act 1981) (measured by computer database records)	New measure for 2012-13	New measure for 2012-13	New measure for 2012-13	New measure for 2012-13	90%
Code compliance certificates issued within 20 working days to comply with statutory requirements in the Building Act 2004 (measured by computer database records)	84%	100% issued within 20 working days 97% issued within 18 working days	100% issued within 20 working days 100% issued within 18 working days	100% issued within 20 working days 80% issued within 18 working days	100% issued within 20 working days 80% issued within 18 working days
Dog pound open 300 days per year (measured by management reports)	100%	100%	100%	100%	100%

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Dog complaints are responded to: within 30 minutes for dog attacks	99%	98%	98%	95%	95%
within 24 hours for other complaints (measured by management reports)	98%	97%	97%	95%	95%
Noise complaints responded to within 45 minutes (measured by management reports)  Note: The response time from 2007 to 2011 was set at 30 minutes but was amended from 2011 to reflect the new contract	87%	72% responded to within 30 minutes 93% responded to within 45 minutes	96% responded to within 45 minutes	85%	85%

Note: Survey percentages quoted exclude those who responded 'Don't know'.



## Prospective income statement for the year ending 30 June: Environmental Management

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	3,256	3,342	3,423	3,505	3,589	3,678	3,770	3,868	3,969	4,076	4,182
Other revenue	176	190	194	199	203	209	214	219	225	231	237
<b>Total revenue</b>	<b>3,432</b>	<b>3,532</b>	<b>3,617</b>	<b>3,704</b>	<b>3,792</b>	<b>3,887</b>	<b>3,984</b>	<b>4,087</b>	<b>4,194</b>	<b>4,307</b>	<b>4,419</b>
<b>EXPENDITURE</b>											
Employee costs	5,095	4,941	4,968	5,087	5,264	5,396	5,531	5,675	5,822	5,979	6,135
Support costs/internal charges	2,076	2,409	2,337	2,389	2,413	2,491	2,496	2,445	2,409	2,400	2,359
Operating costs	3,048	1,962	2,009	2,057	2,106	2,159	2,213	2,270	2,330	2,392	2,455
Depreciation	1	-	-	-	-	-	-	-	-	-	-
<b>Total expenditure</b>	<b>10,220</b>	<b>9,312</b>	<b>9,314</b>	<b>9,533</b>	<b>9,783</b>	<b>10,046</b>	<b>10,240</b>	<b>10,390</b>	<b>10,561</b>	<b>10,771</b>	<b>10,949</b>
<b>DEFICIT BEFORE TAX</b>	<b>(6,788)</b>	<b>(5,780)</b>	<b>(5,697)</b>	<b>(5,829)</b>	<b>(5,991)</b>	<b>(6,159)</b>	<b>(6,256)</b>	<b>(6,303)</b>	<b>(6,367)</b>	<b>(6,464)</b>	<b>(6,530)</b>
<b>ENVIRONMENTAL MANAGEMENT - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(6,788)	(5,780)	(5,697)	(5,829)	(5,991)	(6,159)	(6,256)	(6,303)	(6,367)	(6,464)	(6,530)
<b>Total rates funding requirement</b>	<b>(6,788)</b>	<b>(5,780)</b>	<b>(5,697)</b>	<b>(5,829)</b>	<b>(5,991)</b>	<b>(6,159)</b>	<b>(6,256)</b>	<b>(6,303)</b>	<b>(6,367)</b>	<b>(6,464)</b>	<b>(6,530)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Less depreciation	1	-	-	-	-	-	-	-	-	-	-
<b>Total loan (funding)/repayment</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(6,787)</b>	<b>(5,780)</b>	<b>(5,697)</b>	<b>(5,829)</b>	<b>(5,991)</b>	<b>(6,159)</b>	<b>(6,256)</b>	<b>(6,303)</b>	<b>(6,367)</b>	<b>(6,464)</b>	<b>(6,530)</b>

## Emergency Management

### What we do

Hutt City Council is joined with all the city and district councils in the region to form a Civil Defence and Emergency Management (CDEM) Group under the CDEM Act of 2002. From 1 July 2012 all emergency management staff and resources have been pooled together with the expectation of improved effectiveness from increased scale and coordination, as well as efficiencies from the centralised provision of services such as training and public education. The new team will:

- lead the preparation and review of the Wellington Region CDEM Group Plan and associated plans
- educate people about the risks they face and how to prepare for emergency events
- maintain the Wellington Region CDEM Group’s Emergency Operation Centres so they can be quickly activated to manage an emergency event, and
- work with central government, emergency services, welfare groups, lifeline utilities and a wide range of interested and affected organisations on emergency management issues.

Local capability has been retained to enable an effective local response to emergencies, and to continue to develop, implement and monitor city-wide emergency management plans, and promote community preparedness for emergencies.

We also manage rural fire under the Forest and Rural Fires Act 1975 and the Forest and Rural Fires Regulations 2005. The Council maintains:

- a fire plan for the district
- a fully operational Volunteer Rural Fire Force
- a Rural Fire Permit database and permitting process, and
- relationships with other councils and the National Rural Fire Authority to develop regional mitigation strategies, response protocols, and to promote community awareness.

### Why we do it

The Wellington region is exposed to a wide range of natural and man-made hazards, including earthquake, flooding, landslide, tsunamis, storm, biological, chemical and terrorism threats. However, there is a great deal that we can do to reduce the impact of these hazards on our community. Our approach to emergency management and rural fire is based on the principles of reduction of risk, readiness, response and recovery.

### Effects on community wellbeing

The Emergency Management activity promotes economic and social wellbeing in particular through encouraging preparedness to cope in the event of a Civil Defence emergency. It contributes primarily to our community outcomes of a safe community, and strong and inclusive communities. Looking at the potential for negative effects associated with this

activity, emergency equipment such as sirens can create temporary noise effects. Emergency management response and recovery activities may also have a temporary adverse effect on community and environmental wellbeing while social systems and infrastructure are being rebuilt following an emergency event.

### The services we provide

Emergency management activities are carried out to meet the requirements of the Civil Defence Emergency Management Act 2002. The Act promotes the sustainable management of hazards, the safety of the public and protection of property. It also provides for planning and preparation for emergencies and for response and recovery in emergencies. The Act also requires local authorities to coordinate regional planning, programmes and activities, provides for the integration of national and local emergency management planning and activity, and encourages a coordinated approach.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Percentage of households that are prepared for a civil defence emergency (measured by independent survey)	58%	63%	79%	60% of those expressing an opinion	60% of those expressing an opinion
We respond to emergencies in accordance with the Wellington Region Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002 (measured by management reports and debrief notes)	100%	100%	100%	100%	100%
We respond to rural fires in accordance with the Hutt City Rural Fire Plan and the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005 (measured by Wellington Regional Rural Fire Committee)	100%	100%	100%	100%	100%

Note: Survey percentages quoted exclude those who responded ‘Don’t know’.

**Major projects planned**

	2012-13 COST \$000	2013-14 COST \$000	2014-15 COST \$000	2015-16 COST \$000	2016-17 COST \$000	2017-18 COST \$000	2018-19 COST \$000	2019-20 COST \$000	2020-21 COST \$000	2021-22 COST \$000	2022-23 COST \$000	2023-24 COST \$000	2024-25 COST \$000	2025-26 COST \$000	2026-27 COST \$000	2027-28 COST \$000	2028-29 COST \$000	2029-30 COST \$000	2030-31 COST \$000	2031-32 COST \$000	
<b>Capital Replacements</b>																					
Wainuiomata Bush Fire Force Vehicle				129			139			150			162			175				189	
Wainuiomata Bush Fire Force Vehicle (Carryover from 2011/2012)	90																				

**Prospective income statement for the year ending 30 June: Emergency Management**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	24	17	17	17	18	18	19	19	20	20	21
Upper Hutt CC operating contribution	327	341	350	358	367	376	385	395	405	416	427
<b>Total revenue</b>	<b>351</b>	<b>358</b>	<b>367</b>	<b>375</b>	<b>385</b>	<b>394</b>	<b>404</b>	<b>414</b>	<b>425</b>	<b>436</b>	<b>448</b>
<b>EXPENDITURE</b>											
Employee costs	411	-	-	-	-	-	-	-	-	-	-
Support costs/internal charges	261	281	273	279	282	291	292	286	281	280	276
Operating costs	401	878	858	879	900	922	945	970	995	1,022	1,049
Depreciation	40	31	31	31	31	32	32	33	33	33	34
<b>Total expenditure</b>	<b>1,113</b>	<b>1,190</b>	<b>1,162</b>	<b>1,189</b>	<b>1,213</b>	<b>1,245</b>	<b>1,269</b>	<b>1,289</b>	<b>1,309</b>	<b>1,335</b>	<b>1,359</b>
<b>DEFICIT BEFORE TAX</b>	<b>(762)</b>	<b>(832)</b>	<b>(795)</b>	<b>(814)</b>	<b>(828)</b>	<b>(851)</b>	<b>(865)</b>	<b>(875)</b>	<b>(884)</b>	<b>(899)</b>	<b>(911)</b>
<b>EMERGENCY MANAGEMENT - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(762)	(832)	(795)	(814)	(828)	(851)	(865)	(875)	(884)	(899)	(911)
<b>Total rates funding requirement</b>	<b>(762)</b>	<b>(832)</b>	<b>(795)</b>	<b>(814)</b>	<b>(828)</b>	<b>(851)</b>	<b>(865)</b>	<b>(875)</b>	<b>(884)</b>	<b>(899)</b>	<b>(911)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	-	-	-	-	(129)	-	-	(139)	-	-	(150)
Capital expenditure - improving services	(268)	-	-	-	-	-	-	-	-	-	-
Less depreciation	40	31	31	31	31	32	32	33	33	33	34
<b>Total loan (funding)/repayment</b>	<b>(228)</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>(98)</b>	<b>32</b>	<b>32</b>	<b>(106)</b>	<b>33</b>	<b>33</b>	<b>(116)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(990)</b>	<b>(801)</b>	<b>(764)</b>	<b>(783)</b>	<b>(926)</b>	<b>(819)</b>	<b>(833)</b>	<b>(981)</b>	<b>(851)</b>	<b>(866)</b>	<b>(1,027)</b>



# GROUP ECONOMY

## Local Urban Environment

### What we do

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

We:

- implement environmental policies and plans for Hutt City’s sustainable development, including environmental education and promotion
- run an annual waste minimisation programme to promote the concept of ‘reduce, reuse, recycle’ to businesses and residents.

### Why we do it

We recognise that our urban design and infrastructure must support our changing business and community environment. We manage and develop Hutt City’s public spaces and preserve our heritage buildings because this benefits both businesses and our community. It contributes to our point of difference from other cities, supporting local cultures and enhancing how we identify ourselves. We manage our waste (through promoting recycling and waste reduction) to maintain our community’s health and quality of life.

### Effects on community wellbeing

The Local Urban Environment activity promotes social, economic, environmental and cultural wellbeing in particular through our strategies for growth and development, our Heritage Policy, our CBD Making Places project and our vision documents. It contributes to all community outcomes. Looking at the potential for negative effects associated with this activity, urban design activities could result in temporary disruptions during any construction phase. Ineffective sustainability initiatives could lead to increased resource usage, waste and detrimental impact on the environment.

### The services we provide

We provide design advice and promote best design outcomes for the city including projects associated with the Heritage Policy, CBD Making Places, Stepping Stones and suburban shopping centres improvement fund.

We encourage people to live more sustainably by thinking about how they can reduce, reuse and recycle. This includes providing information about composting and establishing worm farms. We run two programmes for schools, giving young people the opportunity to explore real life challenges in sustainability and apply their ideas, and full day fieldtrips to Allbrite Industries Ltd, Silverstream landfill and Earthlink Inc to see first hand how we can recycle, reuse or compost up to 75% of our rubbish. We support annual collections of hazardous waste and electronic waste to ensure any items unable to be recycled or reused are disposed of safely.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents feel a sense of pride in the way the city looks and feels (measured by independent survey)	91%	90%	89%	≥previous results	≥previous results
Businesses feel a sense of pride in the way the city looks and feels (measured by independent survey)	67%	61%	44%	≥previous results	≥previous results
Residents’ satisfaction with:					
• litter control	91%	87%	87%	≥86% of those expressing an opinion	≥86% of those expressing an opinion
• recycling (measured by independent survey)	87%	90%	93%	≥86% of those expressing an opinion	≥86% of those expressing an opinion
Percentage of households that have used the recycling service in the previous 12 months (measured by independent survey)	85%	86%	87%	≥86% of those expressing an opinion	≥86% of those expressing an opinion
All residents have access to community recycling facilities (measured by management reports)	100%	100%	100%	100%	100%
Tonnes of recycling per annum (measured by management reports)	7349	6910	7253	Increasing	Increasing

Note: Survey percentages quoted exclude those who responded ‘Don’t know’.



**Prospective income statement for the year ending 30 June: Local Urban Environment**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
Development and financial contributions	8	8	8	9	9	9	9	9	10	10	10
Other revenue	300	300	307	315	322	330	338	347	356	366	375
<b>Total revenue</b>	<b>308</b>	<b>308</b>	<b>315</b>	<b>324</b>	<b>331</b>	<b>339</b>	<b>347</b>	<b>356</b>	<b>366</b>	<b>376</b>	<b>385</b>
<b>EXPENDITURE</b>											
Employee costs	405	487	499	511	526	539	553	567	582	597	613
Support costs/internal charges	315	275	267	273	276	285	285	279	275	274	270
Operating costs	804	492	452	463	474	486	498	511	524	539	553
Interest expenditure	18	4	4	4	5	5	5	5	4	4	4
Depreciation	290	302	295	293	294	297	304	303	299	299	292
<b>Total expenditure</b>	<b>1,832</b>	<b>1,560</b>	<b>1,517</b>	<b>1,544</b>	<b>1,575</b>	<b>1,612</b>	<b>1,645</b>	<b>1,665</b>	<b>1,684</b>	<b>1,713</b>	<b>1,732</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,524)</b>	<b>(1,252)</b>	<b>(1,202)</b>	<b>(1,220)</b>	<b>(1,244)</b>	<b>(1,273)</b>	<b>(1,298)</b>	<b>(1,309)</b>	<b>(1,318)</b>	<b>(1,337)</b>	<b>(1,347)</b>
<b>LOCAL URBAN ENVIRONMENT - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(1,524)	(1,252)	(1,202)	(1,220)	(1,244)	(1,273)	(1,298)	(1,309)	(1,318)	(1,337)	(1,347)
Add capital contributions	(8)	(8)	(8)	(9)	(9)	(9)	(9)	(9)	(10)	(10)	(10)
<b>Total rates funding requirement</b>	<b>(1,532)</b>	<b>(1,260)</b>	<b>(1,210)</b>	<b>(1,229)</b>	<b>(1,253)</b>	<b>(1,282)</b>	<b>(1,307)</b>	<b>(1,318)</b>	<b>(1,328)</b>	<b>(1,347)</b>	<b>(1,357)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(32)	(32)	(33)	(34)	(34)	(35)	(36)	(37)	(38)	(39)	(40)
Capital expenditure - improving services	(2,525)	(528)	(231)	(68)	(322)	(330)	(338)	-	(356)	-	-
Less capital contributions	8	8	8	9	9	9	9	9	10	10	10
Less depreciation	290	302	295	293	294	297	304	303	299	299	292
<b>Total loan (funding)/repayment</b>	<b>(2,259)</b>	<b>(250)</b>	<b>39</b>	<b>200</b>	<b>(53)</b>	<b>(59)</b>	<b>(61)</b>	<b>275</b>	<b>(85)</b>	<b>270</b>	<b>262</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,791)</b>	<b>(1,510)</b>	<b>(1,171)</b>	<b>(1,029)</b>	<b>(1,306)</b>	<b>(1,341)</b>	<b>(1,368)</b>	<b>(1,043)</b>	<b>(1,413)</b>	<b>(1,077)</b>	<b>(1,095)</b>

## Economic Development

### What we do

We take a lead role in encouraging Hutt City's growth through:

- creating a business-friendly environment
- facilitating the expansion and creation of local businesses and employment
- increasing tourism and events in Hutt City
- contributing to regional growth through regional economic development.

### Why we do it

We know that individual businesses generally lack incentives to explore opportunities that benefit Hutt City as a whole, as well as themselves. By supporting the business sector and promoting Hutt City as a business location and vibrant city, we generate benefits for local enterprises and our residents.

### Effects on community wellbeing

The Economic Development activity promotes economic wellbeing in particular through our Economic Development Strategy and our Tourism, Visitor and Events Policies. It contributes primarily to our community outcomes of a strong and diverse economy, an accessible and connected city, and strong and inclusive communities. Looking at the potential for negative effects associated with this activity, any focus on low value economic sectors could divert attention and resources from those that have the potential to provide greater long term value for the city.

### The services we provide

We help people starting out in business or starting new businesses with free advice, connections to local business people, and guidance through any consent, permitting or licensing requirements. We work with businesses of all sizes to help them grow, and we support innovation in business. We're implementing the action plan in the city's Economic Development Strategy to stimulate jobs and opportunities for residents.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Businesses' satisfaction with economic development programmes (measured by business survey)	90%	89%	50.6%	≥85% of those expressing an opinion	≥85% of those expressing an opinion
Residents' satisfaction with the i-SITE Visitor Information Centre (measured by independent survey)	99%	97%	99%	≥91% of those expressing an opinion	≥91% of those expressing an opinion
Hutt City's economic performance according to the annual Economic Development Strategy report to Council, which includes measures such as:	Economic ranking relative to peer group of NZ cities:				
• number of businesses	+ 0.8%	+ 0.9%	- 1.6%	Improvement in relative ranking with other cities measured	Improvement in relative ranking with other cities measured
• number of full-time equivalents (FTEs) in the workforce	+ 2.0%	+ 2.3%	- 3.5%	Working towards a 10-15% increase in number of businesses, number of FTEs and GDP by 2014, and a 30% increase by 2019	Working towards a 10-15% increase in number of businesses, number of FTEs and GDP by 2014, and a 30% increase by 2019
• Gross Domestic Product (GDP)	+ 0.5%	+ 0.5%	- 3.9%		
• GDP per capita	New measure for 2010/11	New measure for 2010/11	- 4.5%		
• Export sector as proportion of GDP	New measure for 2010/11	New measure for 2010/11	- 5.4%		
• High value sectors as percentage of all sectors (by GDP)	New measure for 2010/11	New measure for 2010/11	- 5.6%		

(GDP measured by Business and Economic Research Limited)

Note: Survey percentages quoted exclude those who responded 'Don't know'.





## Prospective income statement for the year ending 30 June: Economic Development

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
User charges	1	1	1	1	1	1	1	1	1	1	1
Other revenue	483	557	570	584	598	613	628	644	661	679	697
<b>Total revenue</b>	<b>484</b>	<b>558</b>	<b>571</b>	<b>585</b>	<b>599</b>	<b>614</b>	<b>629</b>	<b>645</b>	<b>662</b>	<b>680</b>	<b>698</b>
<b>EXPENDITURE</b>											
Employee costs	455	556	569	504	519	532	546	560	574	590	605
Support costs/internal charges	466	452	439	449	453	468	469	459	452	451	443
Operating costs	1,266	2,428	2,287	1,346	1,378	1,412	1,448	1,485	1,524	1,565	1,606
Interest expenditure	-	12	12	11	13	14	14	13	12	11	11
Depreciation	10	25	23	22	20	19	17	16	15	14	13
<b>Total expenditure</b>	<b>2,197</b>	<b>3,473</b>	<b>3,330</b>	<b>2,332</b>	<b>2,383</b>	<b>2,445</b>	<b>2,494</b>	<b>2,533</b>	<b>2,577</b>	<b>2,631</b>	<b>2,678</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,713)</b>	<b>(2,915)</b>	<b>(2,759)</b>	<b>(1,747)</b>	<b>(1,784)</b>	<b>(1,831)</b>	<b>(1,865)</b>	<b>(1,888)</b>	<b>(1,915)</b>	<b>(1,951)</b>	<b>(1,980)</b>
<b>ECONOMIC DEVELOPMENT - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(1,713)	(2,915)	(2,759)	(1,747)	(1,784)	(1,831)	(1,865)	(1,888)	(1,915)	(1,951)	(1,980)
<b>Total rates funding requirement</b>	<b>(1,713)</b>	<b>(2,915)</b>	<b>(2,759)</b>	<b>(1,747)</b>	<b>(1,784)</b>	<b>(1,831)</b>	<b>(1,865)</b>	<b>(1,888)</b>	<b>(1,915)</b>	<b>(1,951)</b>	<b>(1,980)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Less depreciation	10	25	23	22	20	19	17	16	15	14	13
<b>Total loan (funding)/repayment</b>	<b>10</b>	<b>25</b>	<b>23</b>	<b>22</b>	<b>20</b>	<b>19</b>	<b>17</b>	<b>16</b>	<b>15</b>	<b>14</b>	<b>13</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,703)</b>	<b>(2,890)</b>	<b>(2,736)</b>	<b>(1,725)</b>	<b>(1,764)</b>	<b>(1,812)</b>	<b>(1,848)</b>	<b>(1,872)</b>	<b>(1,900)</b>	<b>(1,937)</b>	<b>(1,967)</b>



# GROUP ORGANISATION

## Elected Members

### What we do

Elected members of Hutt City Council 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 and community committees, which provide local input into our decision-making.

### Why we do it

The Elected Members activity ensures sound governance and robust decision-making within Hutt City.

### Effects on community wellbeing

The Elected Members activity promotes social, economic, environmental and cultural wellbeing through contributing to projects across all of Council, and contributes to all community outcomes. Looking at the potential for negative effects associated with this activity, there is a risk that some portions of the population may not be represented adequately. This is mitigated through our consultation and engagement practices.

### The services we provide

All meetings of Council, its committees and subcommittees and community boards/ committees are open to the public, apart from discussion on any items to be considered with the public excluded, as provided for in legislation. At the start of each meeting there is time set aside for public comment where anyone can speak for three minutes on any item included on the order paper for the meeting. This excludes hearings, where only submitters may speak.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Residents’ satisfaction with the Mayor’s and councillors’ performance (measured by independent survey)	91%	95%	96%	≥90% of those expressing an opinion	≥90% of those expressing an opinion
Residents’ satisfaction with the way we spend their rates (measured by independent survey)	82%	86%	88%	≥83% of those expressing an opinion	≥83% of those expressing an opinion
Residents’ satisfaction with our public consultation (measured by independent survey)	New measure for 2009/10	90%	90%	Improvement	Improvement

Note: Survey percentages quoted exclude those who responded ‘Don’t know’.

## Prospective income statement for the year ending 30 June: Elected Members

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
<b>Total revenue</b>	-	-	-	-	-	-	-	-	-	-	-
<b>EXPENDITURE</b>											
Employee costs	-	-	-	-	-	-	-	-	-	-	-
Support costs/internal charges	817	719	698	713	721	744	745	730	719	717	705
Operating costs	1,167	1,237	1,246	1,276	1,306	1,339	1,373	1,431	1,445	1,484	1,522
Depreciation	-	4	3	2	1	1	-	-	-	-	-
<b>Total expenditure</b>	<b>1,984</b>	<b>1,960</b>	<b>1,947</b>	<b>1,991</b>	<b>2,028</b>	<b>2,084</b>	<b>2,118</b>	<b>2,161</b>	<b>2,164</b>	<b>2,201</b>	<b>2,227</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,984)</b>	<b>(1,960)</b>	<b>(1,947)</b>	<b>(1,991)</b>	<b>(2,028)</b>	<b>(2,084)</b>	<b>(2,118)</b>	<b>(2,161)</b>	<b>(2,164)</b>	<b>(2,201)</b>	<b>(2,227)</b>
<b>ELECTED MEMBERS - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(1,984)	(1,960)	(1,947)	(1,991)	(2,028)	(2,084)	(2,118)	(2,161)	(2,164)	(2,201)	(2,227)
<b>Total rates funding requirement</b>	<b>(1,984)</b>	<b>(1,960)</b>	<b>(1,947)</b>	<b>(1,991)</b>	<b>(2,028)</b>	<b>(2,084)</b>	<b>(2,118)</b>	<b>(2,161)</b>	<b>(2,164)</b>	<b>(2,201)</b>	<b>(2,227)</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Less depreciation	-	4	3	2	1	1	-	-	-	-	-
<b>Total loan (funding)/repayment</b>	<b>-</b>	<b>4</b>	<b>3</b>	<b>2</b>	<b>1</b>	<b>1</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,984)</b>	<b>(1,956)</b>	<b>(1,944)</b>	<b>(1,989)</b>	<b>(2,027)</b>	<b>(2,083)</b>	<b>(2,118)</b>	<b>(2,161)</b>	<b>(2,164)</b>	<b>(2,201)</b>	<b>(2,227)</b>

## Advice and Support

### What we do

This activity comprises the processes that support our decision-making, such as strategic planning, policy development and monitoring and reporting.

### Why we do it

Professional advice and support are necessary to help us and community boards and committees to make informed decisions on behalf of our community.

### Effects on community wellbeing

The Advice and Support activity promotes social, economic, environmental and cultural wellbeing through contributing to projects across all of Council, and contributes to all community outcomes. Looking at the potential for negative effects associated with this activity, there is a possibility that providing advice that balances the needs and wants of the local community in the interests of the public good may cause a negative effect on individuals or groups.

### The services we provide

Council officers provide free and frank, professional advice to the Council, its committees and subcommittees, and community boards/committees. This enables transparent decision-making and provides assurance that rigorous analysis underpins council processes and decisions.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Councillors are satisfied or more than satisfied with the formal advice they receive from officers (measured by internal survey)	90%	88%	88%	80% of those expressing an opinion	80% of those expressing an opinion
Councillors are satisfied or more than satisfied with responses to requests for help from officers (measured by internal survey)	100%	88%	95%	80% of those expressing an opinion	80% of those expressing an opinion
Community board and community committee members are satisfied or more than satisfied with the formal advice they receive from officers (measured by internal survey)	Insufficient numbers of survey forms were returned to ensure a statistically robust analysis	88%	88%	80% of those expressing an opinion	80% of those expressing an opinion
Community board and community committee members are satisfied or more than satisfied with responses to requests for help from officers (measured by internal survey)	Insufficient numbers of survey forms were returned to ensure a statistically robust analysis	88%	95%	80% of those expressing an opinion	80% of those expressing an opinion

Note: Survey percentages quoted exclude those who responded 'Don't know'.

## Prospective income statement for the year ending 30 June: Advice and Support

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
Other revenue	-	-	143	-	-	154	-	-	166	-	-
<b>Total revenue</b>	<b>-</b>	<b>-</b>	<b>143</b>	<b>-</b>	<b>-</b>	<b>154</b>	<b>-</b>	<b>-</b>	<b>166</b>	<b>-</b>	<b>-</b>
<b>EXPENDITURE</b>											
Employee costs	-	-	31	-	-	33	-	-	36	-	-
Support costs/internal charges	4,064	4,064	3,943	4,030	4,070	4,203	4,211	4,124	4,064	4,049	3,981
Operating costs	38	43	321	45	46	344	49	50	372	52	54
<b>Total expenditure</b>	<b>4,102</b>	<b>4,107</b>	<b>4,295</b>	<b>4,075</b>	<b>4,116</b>	<b>4,580</b>	<b>4,260</b>	<b>4,174</b>	<b>4,472</b>	<b>4,101</b>	<b>4,035</b>
<b>DEFICIT BEFORE TAX</b>	<b>(4,102)</b>	<b>(4,107)</b>	<b>(4,152)</b>	<b>(4,075)</b>	<b>(4,116)</b>	<b>(4,426)</b>	<b>(4,260)</b>	<b>(4,174)</b>	<b>(4,306)</b>	<b>(4,101)</b>	<b>(4,035)</b>
<b>ADVICE AND SUPPORT - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	(4,102)	(4,107)	(4,152)	(4,075)	(4,116)	(4,426)	(4,260)	(4,174)	(4,306)	(4,101)	(4,035)
<b>Total rates funding requirement</b>	<b>(4,102)</b>	<b>(4,107)</b>	<b>(4,152)</b>	<b>(4,075)</b>	<b>(4,116)</b>	<b>(4,426)</b>	<b>(4,260)</b>	<b>(4,174)</b>	<b>(4,306)</b>	<b>(4,101)</b>	<b>(4,035)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(4,102)</b>	<b>(4,107)</b>	<b>(4,152)</b>	<b>(4,075)</b>	<b>(4,116)</b>	<b>(4,426)</b>	<b>(4,260)</b>	<b>(4,174)</b>	<b>(4,306)</b>	<b>(4,101)</b>	<b>(4,035)</b>

## Managing Services

### What we do

Managing Services incorporates the organisational support functions that help us to provide our other activities efficiently and effectively.

### Why we do it

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

### Effects on community wellbeing

The Managing Services activity promotes social, economic, environmental and cultural wellbeing through providing services which support all other activities, and contributes to all community outcomes. Any potential negative effects associated with supporting all the Council's other activities have been identified under each activity.

### The services we provide

Council officers provide human resources, financial management, corporate, legal, communications, customer and information services to support all other Council activities.

### How we measure the success of our services

MEASURE	ACHIEVED 2008-09	ACHIEVED 2009-10	ACHIEVED 2010-11	TARGET 2011-12	TARGET 2012-13 TO 2021-22
Staff turnover (measured by management reports)	10%	3.5%	11.37%	Less than 12%	Less than 12%
Legal and policy requirements (measured by management reports)	No significant instances of non-compliance	No significant instances of non-compliance	No significant instances of non-compliance	No significant instances of non-compliance	No significant instances of non-compliance
Work-related accidents (measured by management reports)	Six work-related accidents resulted in time off work	Seven work-related accidents resulted in time off work	Four work-related accidents resulted in time off work	Fewer than six resulting in time off work	No more than four resulting in time off work





**Prospective income statement for the year ending 30 June: Managing Services**

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
Rates Funding	85,384	87,596	90,390	93,274	96,250	99,417	102,688	106,170	109,770	113,601	117,453
User charges	1,634	1,171	1,199	1,228	1,257	1,288	1,321	1,355	1,390	1,428	1,465
Interest earned	278	285	300	292	271	248	213	186	157	136	126
Other revenue	124	140	143	147	150	154	158	162	166	171	175
<b>Total revenue</b>	<b>87,420</b>	<b>89,192</b>	<b>92,032</b>	<b>94,941</b>	<b>97,928</b>	<b>101,107</b>	<b>104,380</b>	<b>107,873</b>	<b>111,483</b>	<b>115,336</b>	<b>119,219</b>
<b>EXPENDITURE</b>											
Employee costs	8,805	8,936	9,120	9,339	9,648	9,889	10,136	10,400	10,670	10,958	11,243
Support costs/internal charges	(14,821)	(16,382)	(15,893)	(16,246)	(16,408)	(16,945)	(16,973)	(16,626)	(16,382)	(16,321)	(16,046)
Operating costs	1,556	2,743	2,830	2,955	2,940	2,992	3,202	3,146	3,252	3,437	3,426
Interest expenditure	104	79	77	73	84	92	91	86	80	73	75
Depreciation	2,413	2,947	2,618	3,319	4,826	5,334	4,918	4,475	4,049	3,784	3,549
<b>Total expenditure</b>	<b>(1,943)</b>	<b>(1,677)</b>	<b>(1,248)</b>	<b>(560)</b>	<b>1,090</b>	<b>1,362</b>	<b>1,374</b>	<b>1,481</b>	<b>1,669</b>	<b>1,931</b>	<b>2,247</b>
<b>SURPLUS BEFORE TAX (INCL RATES)</b>	<b>89,363</b>	<b>90,869</b>	<b>93,280</b>	<b>95,501</b>	<b>96,838</b>	<b>99,745</b>	<b>103,006</b>	<b>106,392</b>	<b>109,814</b>	<b>113,405</b>	<b>116,972</b>
<b>MANAGING SERVICES - PROSPECTIVE FUNDING REQUIREMENT</b>											
<b>RATES FUNDING REQUIREMENT</b>											
Surplus/(deficit)	89,363	90,869	93,280	95,501	96,838	99,745	103,006	106,392	109,814	113,405	116,972
Rate funded debt repayment	5,577	3,406	203	(1,104)	428	571	76	(1,290)	(3,362)	(4,261)	(4,623)
<b>Total rates funding requirement</b>	<b>94,940</b>	<b>94,275</b>	<b>93,483</b>	<b>94,397</b>	<b>97,266</b>	<b>100,316</b>	<b>103,082</b>	<b>105,102</b>	<b>106,452</b>	<b>109,144</b>	<b>112,349</b>
<b>LOAN FUNDING REQUIREMENT</b>											
Capital expenditure - maintaining services	(1,395)	(1,311)	(924)	(603)	(816)	(1,850)	(1,332)	(656)	(1,146)	(1,153)	(1,283)
Capital expenditure - improving services	(905)	(804)	(955)	(10,942)	(12,293)	(886)	(750)	(931)	(1,021)	(866)	(726)
Less depreciation	2,413	2,947	2,618	3,319	4,826	5,334	4,918	4,475	4,049	3,784	3,549
Less rate funded debt repayment	(5,577)	(3,406)	(203)	1,104	(428)	(571)	(76)	1,290	3,362	4,261	4,623
<b>Total loan (funding)/repayment</b>	<b>(5,464)</b>	<b>(2,574)</b>	<b>536</b>	<b>(7,122)</b>	<b>(8,711)</b>	<b>2,027</b>	<b>2,760</b>	<b>4,178</b>	<b>5,244</b>	<b>6,026</b>	<b>6,163</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>89,476</b>	<b>91,701</b>	<b>94,019</b>	<b>87,275</b>	<b>88,555</b>	<b>102,343</b>	<b>105,842</b>	<b>109,280</b>	<b>111,696</b>	<b>115,170</b>	<b>118,512</b>



## Whole of Council

### Prospective income statement for the year ending 30 June

	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>REVENUE</b>											
Rates Funding	85,384	87,596	90,390	93,274	96,250	99,417	102,688	106,170	109,770	113,601	117,453
User charges	27,894	29,470	30,224	31,831	32,648	33,463	33,849	34,960	35,867	36,837	37,796
Operating contributions	3,505	3,511	3,546	3,631	3,884	3,981	4,080	4,186	4,295	4,412	4,526
Capital contributions	4,784	4,112	4,214	4,359	5,771	16,198	5,396	6,913	5,843	5,494	5,637
Upper Hutt CC operating contribution	2,690	2,761	2,741	2,806	2,874	2,945	3,019	3,097	3,177	3,263	3,348
Development and financial contributions	279	708	725	743	761	779	799	820	842	864	886
Interest earned	278	285	300	292	271	248	213	186	157	136	126
Vested Assets	430	600	613	630	643	660	678	695	714	732	750
Other revenue	3,281	3,646	3,874	3,823	3,914	4,166	4,111	4,220	4,495	4,445	4,561
<b>Total revenue</b>	<b>128,525</b>	<b>132,689</b>	<b>136,627</b>	<b>141,389</b>	<b>147,016</b>	<b>161,857</b>	<b>154,833</b>	<b>161,247</b>	<b>165,160</b>	<b>169,784</b>	<b>175,083</b>
<b>EXPENDITURE</b>											
Employee costs	26,601	25,978	26,510	27,036	27,934	28,666	29,350	30,112	30,929	31,727	32,554
Support costs/internal charges	(3)	-	-	-	-	-	-	-	-	-	-
Operating costs	67,428	69,609	70,542	72,174	74,228	76,681	78,548	81,067	83,889	86,337	88,927
Interest expenditure	4,298	4,000	3,880	3,715	4,269	4,663	4,599	4,375	4,040	3,727	3,806
Depreciation	30,716	31,688	30,959	32,258	34,481	35,441	36,217	36,670	36,255	37,374	38,650
<b>Total expenditure</b>	<b>129,040</b>	<b>131,275</b>	<b>131,891</b>	<b>135,183</b>	<b>140,912</b>	<b>145,451</b>	<b>148,714</b>	<b>152,224</b>	<b>155,113</b>	<b>159,165</b>	<b>163,937</b>
<b>SURPLUS BEFORE REVALUATION GAINS</b>	<b>(515)</b>	<b>1,414</b>	<b>4,736</b>	<b>6,206</b>	<b>6,104</b>	<b>16,406</b>	<b>6,119</b>	<b>9,023</b>	<b>10,047</b>	<b>10,619</b>	<b>11,146</b>
Revaluation Gains	(81)	-	-	-	-	-	-	-	-	-	-
Gain on Asset revaluation	99,234	-	-	61,525	-	-	69,679	-	-	75,315	-
<b>SURPLUS BEFORE TAX</b>	<b>98,638</b>	<b>1,414</b>	<b>4,736</b>	<b>67,731</b>	<b>6,104</b>	<b>16,406</b>	<b>75,798</b>	<b>9,023</b>	<b>10,047</b>	<b>85,934</b>	<b>11,146</b>
Taxation	-	-	-	-	-	-	-	-	-	-	-
<b>SURPLUS AFTER TAX</b>	<b>98,638</b>	<b>1,414</b>	<b>4,736</b>	<b>67,731</b>	<b>6,104</b>	<b>16,406</b>	<b>75,798</b>	<b>9,023</b>	<b>10,047</b>	<b>85,934</b>	<b>11,146</b>

## COUNCIL-CONTROLLED ORGANISATIONS

We operate four Council-Controlled Organisations (CCOs): Seaview Marina Limited, Urban Plus Limited (trading as urbanplus), Capacity Infrastructure Services Limited (trading as Capacity), and the Hutt City Community Facilities Trust.

These organisations help in achieving our goals or outcomes by independently managing facilities, delivering services and undertaking developments on behalf of the Lower Hutt community.

The performance measures and targets outlined here are included in the Draft Statements of Intent for 2012-2013. These will be finalised by 30 June 2012.

### SEAVIEW MARINA LIMITED

Our objective for this company is for it to own and operate the Seaview Marina as a facility for the enjoyment of the Lower Hutt community, without compromising its commercial objectives and environmental responsibilities.

The company's key performance targets are:

- Completion of an approved asset management plan within the agreed timeframe.
- Deliver budgeted operating and maintenance activities for Seaview Marina Limited as detailed in the operational plan.
- Manage and operate Seaview Marina Limited within its budget as approved by the Board.
- Provide an agreed return on equity of 5% to Hutt City Council.
- Achieve targeted marina berth, trailer park, and hard stand occupancy rates.
- Achieve improvement in monthly boat haul out performance.
- Achieve greater than an 85% satisfaction rating from customers including all licensees, casual users of the marina and the general public.
- Achieve full compliance with financial, technical and regulatory standards.
- Construct and lease a Café on the marina site.
- Develop a capital expenditure plan to provide improved facilities for other users of the marina, to encourage particularly walkers and cyclists onto the marina and become the link between the Hutt River Trail and the Eastern Bays Walkway.

### URBAN PLUS LIMITED (TRADING AS URBANPLUS)

Our objective for this company is for it to own and operate a portfolio of rental housing, develop property in preparation for sale or lease, and manage council property and building assets. The company was re-established in 2007 as a Council-Controlled Trading Organisation, and Council transferred its social housing and property management functions to the company in May 2007.

The company's key performance targets are:

#### Property management:

- Net capital and operational expenditure within budget.
- Achieve a 20% net profit margin.
- Resident satisfaction with public halls greater than or equal to peer average, subject to Council funding.
- Resident satisfaction with public toilets greater than or equal to peer average within five years, subject to Council funding.
- Tenant satisfaction with Council-owned community buildings greater than or equal to 90%.
- Council satisfaction with building management 90%.

#### Rental housing:

- Net capital and operational expenditure within budget.
- A return on equity before depreciation after interest and tax of 3.5%.
- Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90%.
- Percentage of total housing units occupied by elderly/socially disadvantaged greater than or equal to 85%.

#### Property development:

- Net capital and operational expenditure within budget.
- A return of 10% after interest and tax.

### **CAPACITY INFRASTRUCTURE SERVICES LIMITED (TRADING AS CAPACITY)**

Our objective for this company is for it to manage, for the long term, the provision of water, wastewater and stormwater services to Hutt City Council and Wellington City Council, and to operate as a successful business, managed on a non-profit basis.

The company's key performance targets are:

- Measures included in the Water Supply, Wastewater and Stormwater activities.
- Number of dwelling flood notifications received as a result of a 1:50 year flooding event (or less).
- Completion of an approved asset management plan within the agreed timeframe.
- Trend of the operating cost of delivering water supply, wastewater and stormwater services relative to a national average.
- Deliver operating projects within budget and timeframes.
- Deliver capital projects within budget and timeframes.
- Manage Capacity within budget.
- Full compliance with relevant standards, resource consents and legislation.

### **HUTT CITY COMMUNITY FACILITIES TRUST**

On 13 March 2012 Council agreed to a proposal to establish a charitable trust to manage and develop its leisure and community facilities.

Our objective for this Trust 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 Hutt City. This will include establishing a development fund to enable investment and improvement of community facilities, developing new or enhancing existing facilities, administering any facilities vested in the Trust, and providing strategic direction, expert advice and championing ongoing investment and development.

The Trust's key performance targets are:

- Developments are delivered within timeframes and budget allocations.
- Property maintenance and administration is carried out in accordance with asset management plans, health, safety and building code requirements.
- The Trust is recognised as a role model for community facility ownership, management and development.
- Fundraising and capital development targets are set and obtained.
- Investments, bequeaths, allocations, grants etc are used in accordance with donor conditions and within timeframes set.

While this long term plan does not provide for the Trust to take ownership of the Taita Community and Recreation Centre, this is still Council's ultimate intention. Financial and accounting adjustments will be required to the long term plan in the coming years to address this.

Further minor changes to the 2012-2022 long term plan may be required once development and funding plans for Taita and Fraser Park Sportville have been finalised. It is expected that the overall financial contribution from Council towards these developments will be similar to funding provisions made in this long term plan.

## OUR COMMUNITY PARTNERSHIPS

We can't fulfil our role in the Lower Hutt community on our own, and our success depends largely on working closely with other people. We've forged a number of close and highly productive working relationships with people and groups in our community, including:

- Contractors, service suppliers, consultants and advisors.
- Businesses and their representative organisations.
- Local mana whenua and marae.
- Local and central government agencies.
- Volunteer organisations.
- Community groups and individuals.

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

### PARTNERSHIPS WITH MAORI

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

Council has an obligation to take into account the principles of Te Tiriti o Waitangi and to recognise and provide for the special relationships 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 obligation to consult includes recognising those who have mana whenua status. Within Hutt City, this rests with Taranaki Whanui, represented by the Port Nicholson Block Settlement Trust.

Council will also consult the Wellington Tenth Trust as a Mana Whenua Trust and with Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui as a mana whenua organisation.

In fulfilling its obligations, Council will also consult other Māori within Hutt City, including the city's seven marae – Koraunui Marae, Te Mangungu Marae, Wainuiomata Marae, Te Kakano o te Aroha Marae, Waiwhetu Marae (also known as Arohanui ki te tangata), Te Tatau o te Po Marae and Keriana Olsen-Kokiri Marae.

Council has a memorandum of understanding with the Port Nicholson Block Settlement Trust. This memorandum confirms the strategic relationship between the parties and the opportunity for the Trust to contribute to Council decision-making and be a provider of leadership with Council for the city.

- The memorandum provides the following guiding principles for the Trust and Hutt City Council:
- The parties work together in partnership to ensure the mutual benefit and success of the relationship.
- The sustainable prosperity of Hutt City is important to both parties.
- Each party recognises the autonomy, authority and responsibilities of the other to represent their communities' interests.
- The Trust acknowledges the autonomy, authority and responsibilities of Council when acting in its regulatory capacity and when discharging its legislative obligations.
- The principles embodied in the Treaty of Waitangi will guide this relationship. In practical terms this means:

**Partnership** - Acting reasonably, honourably and in good faith to ensure the strategic relationship has integrity and respect, in the present and for the future of Hutt City.

**Participation** - Recognising that both parties can contribute, for mutual benefit, in deciding the future of the city – working towards and achieving the parties' visions.

**Protection** - Actively protecting the taonga of Taranaki Whanui and safeguarding cultural concepts, values and practices to be celebrated and enjoyed for all Hutt City residents.

The memorandum also provides specifically for engagement between the Trust and Hutt City Council on:

**Council planning and policy processes** – The Trust will have input into the various planning processes of Council, in particular the Annual Plan and Long Term Plan.

The Trust will make significant contributions to reviewing the District Plan of Council. This will include commentary on all matters relating to mana whenua representation, sites of significance and rules, protocols, objectives and measures that are required.

**Resource Management Act 1991 and other legislation** – The parties will work together to achieve the purpose of legislation in relation to local government decision-making.

The Council will ensure matters are presented to the Trust in a timely and informative manner, which in turn will assist the Trust in the exercise of its Kaitiakitanga for Hutt City.

**Culture and heritage** – Council will ensure ceremonial, interpretation and naming opportunities are presented to the Trust so as to retain and protect Māori culture and heritage throughout Hutt City, as deemed by the Trust to be of significance.

The Trust, as the mana whenua representative, will provide cultural support to the Mayor, councillors, Chief Executive and other staff as mutually agreed.

While Hutt City Council will take special care in its relationship with mana whenua, it must also reach out to the wider Māori community and provide opportunities for Maori to contribute to Council's decision-making.

The key to this will be to foster and maintain strong relationships with Māori organisations within the city – in particular, Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui and the city's seven marae.

The foundation of these relationships will be built on:

- Open and honest communication between Council and Māori.
- Promoting tikanga Māori (Te Atiawa protocol) throughout Council.
- Providing opportunities for Māori to contribute to our decision-making.
- Providing quality advice and support for capacity and capability strengthening.
- Maintaining the right of tangata whenua to be represented and vote at meetings of Hutt City Council committees and subcommittees.

There are three priority areas for improving our engagement with Māori in the next five years:

- Fully engaging with and fostering our new strategic relationship with the Port Nicholson Block Settlement Trust.
- Involving mana whenua and our local Māori organisations earlier in the decision-making process. For example, engaging mana whenua on Council's Annual Plan prior to finalisation for public consultation and engaging our local marae early on issues into which they have insight and on which they can help us determine solutions.
- Getting Māori in general involved in the decision-making process, including looking at ways of engaging that make it easier and more appealing for Māori to have their say.

## SHARED SERVICES

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, environmental inspections, noise control and dog control.

In addition, and reflecting our growing focus on this area, the following regional initiatives have progressed:

- A joint Waste Management and Minimisation Plan has been completed for the region.
- A single regional entity will provide improved emergency management outcomes from 1 July 2012.
- The libraries of Hutt City, Porirua City, Kapiti District, Masterton District, WelTec and Whitireia Community Polytechnic have been operating New Zealand's only tertiary and public library collaboration. Called SMART, the libraries have migrated to the same server platform, implemented standardised cataloguing, loan, renewal and borrower policies, shared training and technical expertise, implemented a region-wide technical troubleshooting protocol and negotiated a number of consortia agreements for products and services. The 2011-2012 year saw the introduction of a regional public catalogue and library card, including the removal of reserve charges across the region.
- A number of joint procurement contracts have been entered into which have generated considerable savings for the Wellington councils. These include contracts for stationery, printing, photocopiers, insurance, property valuations and geospatial information tools.
- Council staff throughout the region have been working together to look at options for a common online building consent process. Any development of this will take into account the fact that the Department of Building and Housing is also looking at introducing a national online building consent process some time in the future.

Hutt City Council is also one of nine councils in the Wellington region committed to working together to promote regional economic development through the Wellington Regional Strategy (WRS). The WRS focuses on achieving sustainable economic growth and development in the region. We will continue work with Greater Wellington Regional Council in its role as "host" of the WRS, including supporting the WRS Committee in its role of overseeing the decision-making and governance of the WRS.



# DOLLARS AND CENTS

## Financial Summary

The following table outlines the budget for the current year and for the next ten years. It shows that we can achieve an annual operating surplus and reduce debt from \$66.9 million in 2012 to \$44.6 million by 2015. Council's total revenue from rates in the 2012/13 financial period represents a 2.59% increase on current revenue. About 0.8% of that increase will come from rates on new developments in the city, meaning the average increase to existing ratepayers is around 1.8%. The Long Term Plan outlines which capital and other projects will be implemented during each year.

### Ten Year Financial Summary

For the year ending 30th June

YEAR	OPERATING REVENUE	OPERATING EXPENDITURE	OPERATING SURPLUS BEFORE REVALUATION GAINS AND LOSSES	CAPITAL EXPENDITURE	NET DEBT AT END OF THE YEAR	NET ASSETS AT END OF THE YEAR	ANNUAL INCREASE IN RATES REVENUE INCLUDING INFLATION
2012	128,525	129,040	(515)	30,839	66,972	1,247,743	0.00%
2013	132,689	131,275	1,414	29,181	59,934	1,249,157	2.59%
2014	136,627	131,891	4,736	29,754	50,648	1,253,893	3.19%
2015	141,389	135,183	6,206	34,382	44,604	1,321,624	3.19%
2016	147,016	140,912	6,104	54,356	55,846	1,327,728	3.19%
2017	161,857	145,451	16,406	61,295	64,765	1,344,134	3.29%
2018	154,833	148,714	6,119	42,253	64,355	1,419,932	3.29%
2019	161,247	152,224	9,023	37,864	56,121	1,428,955	3.39%
2020	165,160	155,113	10,047	34,867	44,336	1,439,002	3.39%
2021	169,784	159,165	10,619	69,665	56,349	1,524,936	3.49%
2022	175,083	163,937	11,146	49,588	51,552	1,536,082	3.39%

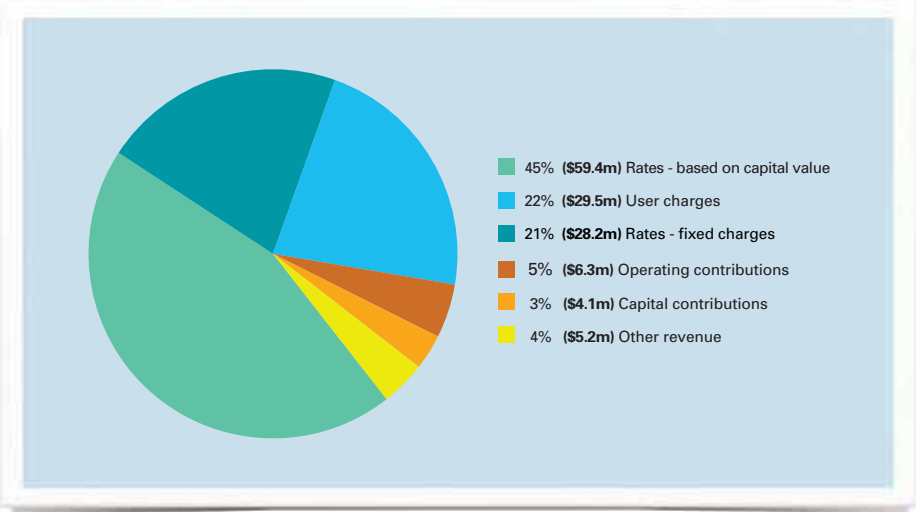
Figures are in thousands of dollars and include inflation estimates.

### What it costs to run the city

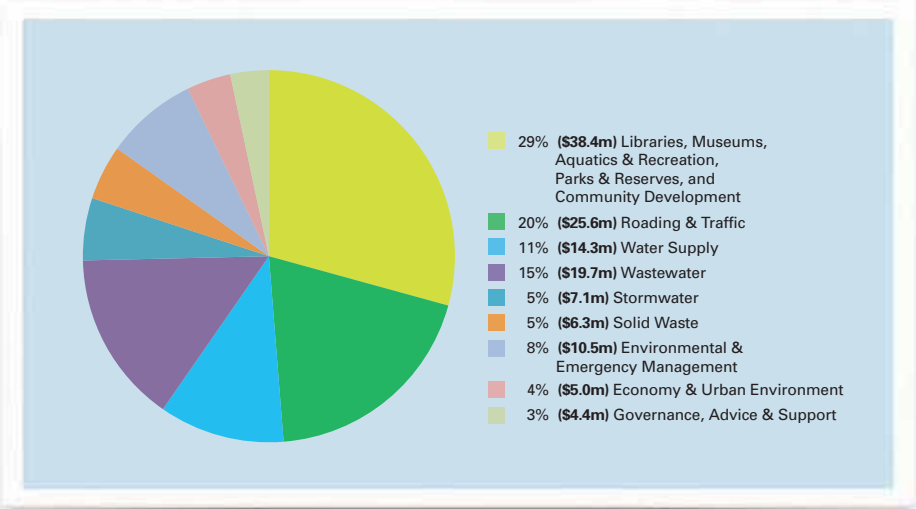
Year end 30 June 2013

GROUP OF ACTIVITIES	NET COST PER RESIDENT
Libraries, Museums, Aquatics & Recreation, Parks & Reserves, & Community Development	\$371
Roading & Traffic	\$247
Water Supply	\$138
Wastewater	\$190
Stormwater	\$69
Solid Waste	\$60
Environmental & Emergency Management	\$101
Economy & Urban Environment	\$49
Governance, Advice & Support	\$42

### Where does council income come from?



### Where does council spend money?



## Forecast Financial Statements

### SUMMARY

Council enters a new period of financial management of council activities. While continuing on a path set by the previous financial strategy Council continues to keep the rates increase below forecast annual CPI plus growth. This plan increased the 2015 debt target to \$45m from \$40m. Additional targets have been added for debt in 2020, 2025 and 2030 as have the limits placed on capital expenditure. The debt reduction is largely achieved through small operating surpluses per annum as well as anticipated proceeds from assets sales. Existing and forecast debt levels are well within Council's financial strategy and are considered to be commercially very reasonable.

### FORECAST FINANCIAL STATEMENTS 2012/13 TO 2021/22

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 has Asset Management Plans for its assets. These plans and the financial strategy have provided the basis for the 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 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 out further into the future. Key assumptions and risks are outlined below.

The Forecast Financial Statements include:

- An "Estimate" of the results of the current financial year (2011/12) based on the budget adjusted for expected variances.
- The "Budget" Council proposes adopting for the coming financial year (2012/13).
- "Forecast" results for the following nine years (2013/14 to 2021/22).

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

A Long Term 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, and in the interests of not making the document any longer than necessary.

Council intends to update these Forecast Financial Statements annually.

**FORECASTING ASSUMPTIONS**

ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	REASON FOR THE UNCERTAINTY	FINANCIAL IMPACT OF THE UNCERTAINTY
<p><b>Rates and Rate Increases</b> Council aims to keep increases for the average ratepayer within the level of inflation.</p>	The CPI for the year as at June significantly differs from that as at consultation.	Low	The CPI results used in the Draft Long Term Plan (LTP) are for the year to December 2011. The CPI increase in the approved plan may differ if the later CPI assessment for the year to March 2012 differs.	A significant increase in the CPI between December and March may lead to an increase in the base used for the rates revenue increase. The impact is that a higher average rates increase may result. The Council's level of cash and or debt levels may vary as a consequence.

*Consumer Price Index forecasted (CPI)*

ACTUAL 2010-11	ESTIMATE 2011-12	BUDGET 2012-13	FORECAST 2013-14	FORECAST 2014-15	FORECAST 2015-16	FORECAST 2016-17	FORECAST 2017-18	FORECAST 2018-19	FORECAST 2019-20	FORECAST 2020-21	FORECAST 2021-22
5.30%	2.80%	1.80%	2.40%	2.40%	2.40%	2.50%	2.50%	2.60%	2.60%	2.70%	2.60%

Note from 2021/22 Council assumes CPI at 2.6% for the years 2022 to 2032.

Note this inflation has also been used to forecast expenditure as it relates to council costs.

ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	REASON FOR THE UNCERTAINTY	FINANCIAL IMPACT OF THE UNCERTAINTY
<p><b>Growth</b> Council projections for income from rates revenue include an allowance for growth and inflation. Growth incorporates population movements plus half a percent to reflect increases in the number of properties in Hutt City above that driven by population movements. Households increase 12 percent with little overall change in socioeconomic indicators between 2011 and 2031. This equates to an annual increase of approximately 300 people.</p>	That the actual rates for growth will be significantly different from the projected rates of growth.	Mod	Uncertainty exists as the actual increase in property numbers is not finalised until 30 June each year. Population increase is based on the mid-point from Statistics NZ and is likely to vary each year.	The impact is that if growth increases at a lower level than budgeted, the average increase will be above that of CPI. If growth increases above that budgeted, the increase for the average ratepayer is likely to be less than the CPI.

*Growth Forecasted*

	BUDGET 2012-13	FORECAST 2013-14	FORECAST 2014-15	FORECAST 2015-16	FORECAST 2016-17	FORECAST 2017-18	FORECAST 2018-19	FORECAST 2019-20	FORECAST 2020-21	FORECAST 2021-22
CPI + 0.5% + Pop	2.59%	2.69%	2.69%	2.69%	2.79%	2.79%	2.89%	2.89%	2.99%	2.89%

ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	REASON FOR THE UNCERTAINTY	FINANCIAL IMPACT OF THE UNCERTAINTY																																				
<p><b>Interest Rates</b> Interest rates are based on the cash and 90 day bill rate as forecasted by the major trading banks. The swap rates are based on the five year and ten year swap rates also forecasted by the major trading banks.</p> <table border="1"> <tr> <td>2012</td> <td>March</td> <td></td> </tr> <tr> <td></td> <td>June</td> <td>3.80%</td> </tr> <tr> <td></td> <td>September</td> <td>4.20%</td> </tr> <tr> <td></td> <td>December</td> <td>4.30%</td> </tr> <tr> <td>2013</td> <td>March</td> <td>4.60%</td> </tr> <tr> <td></td> <td>June</td> <td>4.80%</td> </tr> <tr> <td></td> <td>September</td> <td>5.10%</td> </tr> <tr> <td></td> <td>December</td> <td>5.30%</td> </tr> <tr> <td>2014</td> <td>March</td> <td>5.50%</td> </tr> <tr> <td></td> <td>June</td> <td>5.60%</td> </tr> <tr> <td></td> <td>September</td> <td>5.60%</td> </tr> <tr> <td></td> <td>December</td> <td>5.60%</td> </tr> </table> <p>A rate of 5.6% has been used for each year thereafter</p>	2012	March			June	3.80%		September	4.20%		December	4.30%	2013	March	4.60%		June	4.80%		September	5.10%		December	5.30%	2014	March	5.50%		June	5.60%		September	5.60%		December	5.60%	<p>The interest rates and swap rates are significantly different from that budgeted. A worsening global financial situation or slow recovery of the New Zealand economy may hold rates at lower levels for longer.</p>	Mod	<p>Council has interest rate swaps in place to minimise the fluctuation of interest rate movements. Global financial situation and the speed of growth of the New Zealand economy may influence the speed at which the Reserve Bank lifts the OCR (Official Cash Rate).</p>	<p>Higher interest rates provide ability to earn higher income from cash holdings. Higher interest rates reduce the book losses currently being made and may lead to higher interest cost on debt. A movement in interest rates of plus 1% has a positive effect of \$1.8million on the unrealised value of the derivatives. Floating rate debt - A movement in interest rates of plus or minus 1% has an effect on interest expense of +/- \$300,000 per year.</p>
2012	March																																							
	June	3.80%																																						
	September	4.20%																																						
	December	4.30%																																						
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	June	5.60%																																						
	September	5.60%																																						
	December	5.60%																																						
<p><b>Employee Cost Growth</b> Employee numbers remain stable during the period.</p>	Staffing levels are higher or lower than budgeted.	Mod	Change in service demand, change in local government structure provide uncertainty.	A 1% increase in staff numbers may result in an average cost increase of \$270,000.																																				
<p><b>Natural Disasters and Insurance Costs</b> Council will be able to manage and cope with adverse effects of climate change and or natural disaster events and emergency work will be funded out of normal budgetary provisions. Adequate insurance cover is obtained.</p>	The damage exceeds the cover obtained by Council (currently \$150m) for assets not covered by LAPP and its ability to fund the repair reconstruction out of normal budgetary provisions. Cost of insurance increases more than budgeted.	High	<p>Council has in the past covered adverse weather events, e.g. storm damage. 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 Wellington region.</p>	<p>Council has \$1.2billion in assets. Council is a member of LAPP (the Local Authority Protection Programme). It is hoped LAPP will be able to cover 40%. Council would be dependent on government funding (60% share) and additional borrowing to cover the cost of replacing infrastructure not covered by LAPP. Loss of revenue as a result is not covered. A 5% increase in insurance premium equates to a 0.1% increase in the general rate. A 30% increase in insurance premium equates to a 0.6% increase in the general rate.</p>																																				

ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	REASON FOR THE UNCERTAINTY	FINANCIAL IMPACT OF THE UNCERTAINTY								
<b>Population Growth</b>	Growth does not occur or occurs at levels significantly different from that forecasted. Growth occurs in sectors of the community and/or the population average age increases.	Low	A range of factors from housing affordability, personal circumstances, the economy, job availability, lifestyle choice, and ability to change location influence population movement.	Zero growth or decline will have a nil impact on service provision. The level of growth forecasted is small by comparison to the district population providing a small impact for the short term (1-5 years). Sustained levels of zero or lower growth will have a larger impact on affordability and revenue requirements to maintain current service levels, but will not impact capacity requirements of infrastructure in the longer term.								
<b>POPULATION FORECAST</b>	<b>2010-11</b>	<b>2011-12</b>	<b>2012-13</b>	<b>2013-14</b>	<b>2014-15</b>	<b>2015-16</b>	<b>2016-17</b>	<b>2017-18</b>	<b>2018-19</b>	<b>2019-20</b>	<b>2020-21</b>	<b>2021-22</b>
Population Forecast (rounded)	103,000	103,300	103,000	103,900	104,200	104,500	104,800	105,100	105,400	105,700	106,00	106,300
Predicted population increase			0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%	0.29%
<b>Infrastructure Capacity and Demand Management</b>	Current excess capacity is insufficient to meet additional demand from growth. Water, stormwater and wastewater infrastructure services three councils. Excess growth in any one of those may reduce the ability to meet capacity/additional demand needs of other councils.	Low	Growth factors are low, current capacity is sufficient to meet short term demand.	Additional demand may require significant investments in infrastructure different from that currently planned. It may also lead to a change in the development contribution levies.								
<b>Asset Revaluation</b> Council revalued asset classes as at 31 December 2011 in accordance with its accounting policies. The 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.	Asset revaluations differ from that budgeted, depreciation charges resulting may differ.	Mod	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.								
<b>Revaluation of Water Supply Assets</b> The forecast expenditure for this asset group has a confidence rating of plus or minus 9.4% based on the data that the council has available. In addition, renewal expenditure has been forecast using rates inflated from the 2008 valuation rather than the December 2011 valuation.	Minor differences to the forecast level of expenditure	Low	December 2011 data not yet incorporated into asset renewals.	Council has assumed that this will not make a material difference to the forecast level of expenditure. Figures will be updated for the final Long Term Plan.								

ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	REASON FOR THE UNCERTAINTY	FINANCIAL IMPACT OF THE UNCERTAINTY
<b>Revaluation of Stormwater Assets</b> The forecast expenditure for this asset group has a confidence rating of plus or minus 8.4% based on the data that the council has available. In addition, renewal expenditure has been forecast using rates inflated from the 2008 valuation rather than the December 2011 valuation.	Minor differences to the forecast level of expenditure	Low	December 2011 data not yet incorporated into asset renewals.	Council has assumed that this will not make a material difference to the forecast level of expenditure. Figures will be updated for the final Long Term Plan.
<b>Revaluation of Wastewater Assets</b> The forecast expenditure for this asset group has a confidence rating of plus or minus 16.8% based on the data that the council has available. In addition, renewal expenditure has been forecast using rates inflated from the 2008 valuation rather than the December 2011 valuation.	Minor differences to the forecast level of expenditure	Low	December 2011 data not yet incorporated into asset renewals.	Council has assumed that this will not make a material difference to the forecast level of expenditure. Figures will be updated for the final Long Term Plan.
<b>Asset Sales</b> Asset sales are budgeted to occur in the next three years.	Asset sales do not eventuate and/or timing of asset sales differs to budget.	High	Level of purchaser interest is unknown.	Funding mechanisms such as debt or rates are used to substitute for the loss of sales income. Higher debt levels may result. Capital programme may be reduced to compensate for delaying infrastructure upgrades.
<b>NZ Transport Agency</b> Council receives a subsidy of 47% for operating and 57% for capital works.	Change in subsidy rate and variation criteria for inclusion in the qualifying programme of works.	Low	The impact of projects of national significance and reconstruction of Christchurch may change criteria.	Council receives approximately \$13m in subsidies. A 2% change in subsidy rate equates to approximately \$500,000 impact, either through reduced work programme or funding from other sources.
<b>Level of Debt</b> Debt levels differ from budget and target.	Higher debt levels leads 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.
<b>Sources of Debt Funding</b> Significant assets are generally funded through depreciation, sponsorship, subsidies or debt. Council has the ability to continue to raise funding by issuing commercial paper via tender to a dealer panel. Council raises floating rate notes from banks via tender or private placement.	Council is unable to issue paper due to lack of interest from the market. Floating rate notes may be an expensive source of funding. Sponsorship unable to be received, greater reliance on alternative funding sources eg. debt.	Mod	Reliance on the market.	Council has a committed facility of \$25m to cover funding should no commercial paper be picked up by the market. Floating rate note cost may be more than budgeted.
<b>Leaky Homes</b> Council has an agreement with Department of Building and Housing to contribute up to 25% towards agreed repairs.	The value of the claims exceeds that able to be accommodated within existing budgets.	Mod	The level of claims is unknown.	The cost of claims not met from existing budgets overall will increase the level of council debt.

ASSUMPTION	RISK	LEVEL OF UNCERTAINTY	REASON FOR THE UNCERTAINTY	FINANCIAL IMPACT OF THE UNCERTAINTY
<b>Economic Outlook</b>				
Consents, levies revenue continues at current levels	Upturn in economy is not projected. Low reliance on development contributions, consents and levies as a proportion of funding mechanisms.	Low	Consents, levies and rates charges are not significant factors influencing development.	An upturn will lead to more activity and higher levels of user fees and charges and may lead to higher resource costs to meet those needs.
Change in government policy	Government policy amendments result in significant resource change for local government.	High	The government looks to the recovery of the nation.	Changing policy may impose costs without associated funding.
Change in local government structure for the Wellington region	Central government impose a change in structure.	Short term - Mod Long term - High	Recent change to the local government structure for Auckland, its influence in the sector and its interaction with central government may necessitate a change in structure for the Wellington region.	The impact of local representation may result in a reduction in elected members for the region and change in management and service structures. Initial structure change will cost each council, while savings may be generated in future years from a reduced governance structure.
Earthquake Code minimum standards	A change in the minimum seismic ratings influencing council's investment/divestment of assets.	Mod	Council currently has some buildings budgeted to bring up to the minimum code. An increase in the code may require more funding or divestment of such assets.	A change may affect the capital expenditure programme, its priorities or project timing, or both.
Change in sector values relativity	A significant change in the value of one sector compared to the other sectors results in a significant change in incidence of revenue from rating.	Mod	The District Valuation Roll is revalued every three years. Recently the value of the business sector decreased more than the residential sector.	Overall no effect on the revenue stream for Council but does impact on the incidence of rates received from/charged to each sector (business, residential, rural, utilities) of the community.
Climate change	The risk of global sea level rise is likely to pose the most significant risk to the wider Wellington region.	High	Extreme weather results.	The effects of projected climate changes will impact on council activities and asset planning.
Emissions Trading Scheme (ETS)	The change in the carbon price cap (currently \$25 per tonne) may result in significant changes to costs to council.	Mod	Impact from removal of the cap is unknown. Market forces will be a future driver.	Council operates a landfill and has budgeted for an impact based around the current price of \$25 per tonne.

## ASSET REVALUATIONS

Council has completed full asset revaluations for its major asset categories. This was last completed in 2009. Overall asset values have increased by approximately 8%. The depreciation forecasts have also been adjusted accordingly resulting in an increase.

Under the Local Government Act depreciation should be fully funded by rates. Whilst the increase in the depreciation forecast is significant, given the forecast surpluses per annum across the 10 years this has had no immediate impact on rates, i.e. the forecast surpluses have exceeded the increase in depreciation expense.

Renewal expenditure has been forecast using rates inflated from the 2008 valuation. This is not expected to make a material difference to the forecast level of expenditure. This will be addressed for the final Long Term Plan.

## COMMITMENTS AND CONTINGENCIES

The Forecast Financial Statements provide for all the material capital and operating commitments known to Council. Prudent provisions have also been made in these Forecast Financial Statements for probable future obligations of Council.

## COUNCIL NET DEBT

The graph on page 18 shows the forecast level of net debt in the Forecast Financial Statements. Council plans to achieve a significant reduction in net debt.

## COUNCIL RATES INCOME

The graph on page 18 shows the forecast level of rates income in the Forecast Financial Statements. Council plans to increase rates income by no more than 0.5% above the rate of inflation each year. Rates per capita increase in a similar manner. However, after allowing for the additional rates contributed as a result of growth in the rating base when new or existing properties are developed, this is expected to equate to a real reduction (excluding inflation) in rates paid by the average ratepayer of at least 0.4% per year.

## AUTHORISATION

These Forecast Financial Statements were authorised for issue by Hutt City Council on 28 June 2012.

Hutt City Council is responsible for these Forecast Financial Statements, including the appropriateness of the assumptions underlying the Forecast Financial Statements and all other disclosures.



**PROSPECTIVE STATEMENT OF COMPREHENSIVE INCOME**

For the year ending 30 June

	ACTUAL 2011 \$000	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>INCOME</b>												
Rates other than a targeted rate for water supply	82,649	85,384	87,596	90,390	93,274	96,250	99,417	102,688	106,170	109,770	113,601	117,453
User charges	26,616	27,894	29,470	30,224	31,831	32,648	33,463	33,849	34,960	35,867	36,837	37,796
Subsidies received	9,833	10,979	10,384	10,501	10,796	12,529	23,124	12,495	14,196	13,315	13,169	13,511
Interest earned	338	278	285	300	292	271	248	213	186	157	136	126
Vested Assets	827	430	600	613	630	643	660	678	695	714	732	750
Development and financial contributions	73	279	708	725	743	761	779	799	820	842	864	886
Other revenue	5,447	3,281	3,646	3,874	3,823	3,914	4,166	4,111	4,220	4,495	4,445	4,561
<b>Total revenue</b>	<b>125,783</b>	<b>128,525</b>	<b>132,689</b>	<b>136,627</b>	<b>141,389</b>	<b>147,016</b>	<b>161,857</b>	<b>154,833</b>	<b>161,247</b>	<b>165,160</b>	<b>169,784</b>	<b>175,083</b>
<b>EXPENDITURE</b>												
Employee costs	26,360	26,601	25,978	26,510	27,036	27,934	28,666	29,350	30,112	30,929	31,727	32,554
Support costs	-	(3)	-	-	-	-	-	-	-	-	-	-
Operating costs	63,035	67,428	69,609	70,542	72,174	74,228	76,681	78,548	81,067	83,889	86,337	88,927
Finance costs	4,640	4,298	4,000	3,880	3,715	4,269	4,663	4,599	4,375	4,040	3,727	3,806
Depreciation and amortisation	29,234	30,716	31,688	30,959	32,258	34,481	35,441	36,217	36,670	36,255	37,374	38,650
<b>Total expenditure</b>	<b>123,269</b>	<b>129,040</b>	<b>131,275</b>	<b>131,891</b>	<b>135,183</b>	<b>140,912</b>	<b>145,451</b>	<b>148,714</b>	<b>152,224</b>	<b>155,113</b>	<b>159,165</b>	<b>163,937</b>
<b>SURPLUS BEFORE TAX</b>	<b>2,514</b>	<b>(515)</b>	<b>1,414</b>	<b>4,736</b>	<b>6,206</b>	<b>6,104</b>	<b>16,406</b>	<b>6,119</b>	<b>9,023</b>	<b>10,047</b>	<b>10,619</b>	<b>11,146</b>
Tax expense	-	-	-	-	-	-	-	-	-	-	-	-
<b>SURPLUS AFTER TAX</b>	<b>2,514</b>	<b>(515)</b>	<b>1,414</b>	<b>4,736</b>	<b>6,206</b>	<b>6,104</b>	<b>16,406</b>	<b>6,119</b>	<b>9,023</b>	<b>10,047</b>	<b>10,619</b>	<b>11,146</b>
<b>OTHER COMPREHENSIVE INCOME</b>												
Gain/(loss) on revaluation of financial instruments	(607)	(81)	-	-	-	-	-	-	-	-	-	-
Gains on Asset Revaluation	-	99,234	-	-	61,525	-	-	69,679	-	-	75,315	-
<b>Total Other Comprehensive Income</b>	<b>(607)</b>	<b>99,153</b>	<b>-</b>	<b>-</b>	<b>61,525</b>	<b>-</b>	<b>-</b>	<b>69,679</b>	<b>-</b>	<b>-</b>	<b>75,315</b>	<b>-</b>
<b>TOTAL COMPREHENSIVE INCOME</b>	<b>1,907</b>	<b>98,638</b>	<b>1,414</b>	<b>4,736</b>	<b>67,731</b>	<b>6,104</b>	<b>16,406</b>	<b>75,798</b>	<b>9,023</b>	<b>10,047</b>	<b>85,934</b>	<b>11,146</b>

## PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June

	ACTUAL 2011 \$000	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>Equity at beginning of the year</b>	1,147,198	1,149,105	1,247,743	1,249,157	1,253,893	1,321,624	1,327,728	1,344,134	1,419,932	1,428,955	1,439,002	1,524,936
Total Comprehensive Income	1,907	98,638	1,414	4,736	67,731	6,104	16,406	75,798	9,023	10,047	85,934	11,146
<b>EQUITY AT END OF THE YEAR</b>	<b>1,149,105</b>	<b>1,247,743</b>	<b>1,249,157</b>	<b>1,253,893</b>	<b>1,321,624</b>	<b>1,327,728</b>	<b>1,344,134</b>	<b>1,419,932</b>	<b>1,428,955</b>	<b>1,439,002</b>	<b>1,524,936</b>	<b>1,536,082</b>
Represented by:												
<b>Accumulated Funds</b>												
Opening balance	748,152	743,039	741,603	738,779	737,636	737,597	742,885	753,503	754,528	756,474	759,165	761,582
Interest allocated to reserves	(401)	(464)	(697)	(1,134)	(1,381)	(1,413)	(1,641)	(1,842)	(2,121)	(2,412)	(2,735)	(3,364)
Other transfers to Reserves	(8,397)	(5,540)	(7,614)	(7,806)	(7,980)	(8,114)	(8,339)	(8,305)	(8,512)	(8,731)	(8,955)	(9,181)
Transfers from Reserves	1,778	5,164	4,073	3,061	3,116	8,711	4,192	5,053	3,556	3,787	3,488	3,703
Net surplus / (deficit) after tax	1,907	(596)	1,414	4,736	6,206	6,104	16,406	6,119	9,023	10,047	10,619	11,146
<b>Closing balance</b>	<b>743,039</b>	<b>741,603</b>	<b>738,779</b>	<b>737,636</b>	<b>737,597</b>	<b>742,885</b>	<b>753,503</b>	<b>754,528</b>	<b>756,474</b>	<b>759,165</b>	<b>761,582</b>	<b>763,886</b>
<b>Council Created Reserves</b>												
Opening balance	10,314	17,684	18,522	22,760	28,637	34,880	35,693	41,494	46,602	53,694	61,050	69,252
Transfers to accumulated funds	(1,778)	(5,164)	(4,071)	(3,060)	(3,114)	(8,710)	(4,176)	(5,037)	(3,540)	(3,785)	(3,486)	(3,701)
Transfers from accumulated funds	8,749	5,540	7,614	7,806	7,980	8,114	8,339	8,305	8,512	8,731	8,955	9,181
Interest earned	399	462	695	1,131	1,377	1,409	1,638	1,840	2,120	2,410	2,734	3,363
<b>Closing balance</b>	<b>17,684</b>	<b>18,522</b>	<b>22,760</b>	<b>28,637</b>	<b>34,880</b>	<b>35,693</b>	<b>41,494</b>	<b>46,602</b>	<b>53,694</b>	<b>61,050</b>	<b>69,253</b>	<b>78,096</b>
<b>Restricted Reserves</b>												
Opening balance	76	77	79	79	81	83	86	73	59	44	44	43
Transfers to accumulated funds	-	-	(2)	(1)	(2)	(1)	(16)	(16)	(16)	(2)	(2)	(2)
Transfers from accumulated funds	(1)	-	-	-	-	-	-	-	-	-	-	-
Interest earned	2	2	2	3	4	4	3	2	1	2	1	1
<b>Closing balance</b>	<b>77</b>	<b>79</b>	<b>79</b>	<b>81</b>	<b>83</b>	<b>86</b>	<b>73</b>	<b>59</b>	<b>44</b>	<b>44</b>	<b>43</b>	<b>42</b>
<b>Asset Revaluation Reserves</b>												
Opening balance	388,656	388,305	487,539	487,539	487,539	549,064	549,064	549,064	618,743	618,743	618,743	694,058
Changes in Asset Value	-	-	-	-	-	-	-	-	-	-	-	-
Valuation Gains (Losses) taken to equity	(351)	99,234	-	-	61,525	-	-	69,679	-	-	75,315	-
<b>Closing balance</b>	<b>388,305</b>	<b>487,539</b>	<b>487,539</b>	<b>487,539</b>	<b>549,064</b>	<b>549,064</b>	<b>549,064</b>	<b>618,743</b>	<b>618,743</b>	<b>618,743</b>	<b>694,058</b>	<b>694,058</b>
<b>TOTAL EQUITY</b>	<b>1,149,105</b>	<b>1,247,743</b>	<b>1,249,157</b>	<b>1,253,893</b>	<b>1,321,624</b>	<b>1,327,728</b>	<b>1,344,134</b>	<b>1,419,932</b>	<b>1,428,955</b>	<b>1,439,002</b>	<b>1,524,936</b>	<b>1,536,082</b>

**PROSPECTIVE STATEMENT OF FINANCIAL POSITION**

As at 30 June

	ACTUAL 2011 \$000	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>CURRENT ASSETS</b>												
Cash and cash equivalents	6,095	3,735	5,536	6,228	5,482	5,617	5,289	4,797	5,437	4,725	4,520	4,353
Debtors and other receivables	11,713	11,713	11,413	11,380	11,338	11,610	11,901	12,198	12,515	12,841	13,187	13,530
Derivative financial instruments	1,104	1,000	800	600	400	200	200	200	200	200	200	200
Non-current assets held for sale	-	1,500	2,560	1,992	-	-	-	-	-	-	-	-
Other assets	-	-	-	-	-	-	-	-	-	-	-	-
<b>Total current assets</b>	<b>18,912</b>	<b>17,948</b>	<b>20,309</b>	<b>20,200</b>	<b>17,220</b>	<b>17,427</b>	<b>17,390</b>	<b>17,195</b>	<b>18,152</b>	<b>17,766</b>	<b>17,907</b>	<b>18,083</b>
<b>NON-CURRENT ASSETS</b>												
Property, plant and equipment	1,212,720	1,309,644	1,304,513	1,301,288	1,365,021	1,384,176	1,410,138	1,486,126	1,487,253	1,485,766	1,584,354	1,591,188
Assets under construction	1,990	1,990	1,990	1,990	1,990	1,990	1,990	1,990	1,990	1,990	1,990	1,990
Intangible assets	6,302	6,302	6,302	6,302	6,302	6,302	6,302	6,302	6,302	6,302	6,302	6,302
Investment in subsidiaries	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545
Investment in associates	224	445	545	545	545	545	545	545	545	545	545	545
Other financial assets	3,691	3,591	3,441	3,291	2,991	2,541	2,091	1,591	1,391	1,241	1,041	1,041
<b>Total non-current assets</b>	<b>1,239,472</b>	<b>1,336,517</b>	<b>1,331,336</b>	<b>1,327,961</b>	<b>1,391,394</b>	<b>1,410,099</b>	<b>1,435,611</b>	<b>1,511,099</b>	<b>1,512,026</b>	<b>1,510,389</b>	<b>1,608,777</b>	<b>1,615,611</b>
<b>Total assets</b>	<b>1,258,384</b>	<b>1,354,465</b>	<b>1,351,645</b>	<b>1,348,161</b>	<b>1,408,614</b>	<b>1,427,526</b>	<b>1,453,001</b>	<b>1,528,294</b>	<b>1,530,178</b>	<b>1,528,155</b>	<b>1,626,684</b>	<b>1,633,694</b>
<b>CURRENT LIABILITIES</b>												
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-	-
Borrowings - current	37,958	27,609	28,725	19,976	12,886	13,913	22,154	20,802	12,759	19,761	21,369	16,255
Derivative financial instruments	3,623	3,600	3,400	3,200	3,000	2,800	2,800	2,800	2,800	2,800	2,800	2,800
Creditors and other payables	16,333	17,683	19,033	19,490	19,224	20,920	21,443	21,979	22,550	23,137	23,761	24,379
Employee entitlements	2,426	2,426	2,426	2,484	2,544	2,605	2,670	2,737	2,808	2,881	2,959	3,036
Other liabilities	3,242	3,242	3,242	3,320	3,399	3,481	3,568	3,657	3,752	3,850	3,954	4,057
<b>Total current liabilities</b>	<b>63,582</b>	<b>54,560</b>	<b>56,826</b>	<b>48,470</b>	<b>41,053</b>	<b>43,719</b>	<b>52,635</b>	<b>51,975</b>	<b>44,669</b>	<b>52,429</b>	<b>54,843</b>	<b>50,527</b>
<b>NON-CURRENT LIABILITIES</b>												
Borrowings - non current	40,035	46,500	40,000	40,000	40,000	50,000	50,000	50,000	50,000	30,000	40,000	40,000
Provisions	4,820	4,820	4,820	4,936	5,054	5,175	5,305	5,437	5,579	5,724	5,878	6,031
Employee entitlements	842	842	842	862	883	904	927	950	975	1,000	1,027	1,054
<b>Total non-current liabilities</b>	<b>45,697</b>	<b>52,162</b>	<b>45,662</b>	<b>45,798</b>	<b>45,937</b>	<b>56,079</b>	<b>56,232</b>	<b>56,387</b>	<b>56,554</b>	<b>36,724</b>	<b>46,905</b>	<b>47,085</b>
<b>Total liabilities</b>	<b>109,279</b>	<b>106,722</b>	<b>102,488</b>	<b>94,268</b>	<b>86,990</b>	<b>99,798</b>	<b>108,867</b>	<b>108,362</b>	<b>101,223</b>	<b>89,153</b>	<b>101,748</b>	<b>97,612</b>
<b>NET ASSETS</b>	<b>1,149,105</b>	<b>1,247,743</b>	<b>1,249,157</b>	<b>1,253,893</b>	<b>1,321,624</b>	<b>1,327,728</b>	<b>1,344,134</b>	<b>1,419,932</b>	<b>1,428,955</b>	<b>1,439,002</b>	<b>1,524,936</b>	<b>1,536,082</b>
Represented by:												
<b>EQUITY</b>												
Accumulated funds	743,039	741,603	738,779	737,636	737,597	742,885	753,503	754,528	756,474	759,165	761,582	763,886
Restricted reserves	77	79	79	81	83	86	73	59	44	44	43	42
Council created reserves	17,684	18,522	22,760	28,637	34,880	35,693	41,494	46,602	53,694	61,050	69,253	78,096
Revaluation reserves	388,305	487,539	487,539	487,539	549,064	549,064	549,064	618,743	618,743	618,743	694,058	694,058
<b>TOTAL EQUITY</b>	<b>1,149,105</b>	<b>1,247,743</b>	<b>1,249,157</b>	<b>1,253,893</b>	<b>1,321,624</b>	<b>1,327,728</b>	<b>1,344,134</b>	<b>1,419,932</b>	<b>1,428,955</b>	<b>1,439,002</b>	<b>1,524,936</b>	<b>1,536,082</b>

## PROSPECTIVE STATEMENT OF CASH FLOW

For the year ending 30 June

	ACTUAL 2011 \$000	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>												
Cash was provided from:												
Receipts from rates and levies - Council	82,466	85,384	87,596	90,390	93,274	96,250	99,417	102,688	106,170	109,770	113,601	117,453
User charges and other income	41,484	42,433	44,508	45,357	47,235	49,580	61,241	50,957	53,879	54,193	54,969	56,411
Interest received	338	278	285	300	292	271	248	213	186	157	136	126
Dividends received	-	-	-	-	-	-	-	-	-	-	-	-
	1,790											
Receipts from rates and levies - GWRC	17,585	18,770	19,108	19,220	19,682	20,154	20,658	21,174	21,725	22,290	22,892	23,487
	143,663	146,865	151,497	155,267	160,483	166,255	181,564	175,032	181,960	186,410	191,598	197,477
<b>Cash was applied to:</b>												
Payments to employees	(26,150)	(26,601)	(25,978)	(26,548)	(27,075)	(27,974)	(28,708)	(29,394)	(30,158)	(30,977)	(31,778)	(32,604)
Payments to suppliers	(68,440)	(66,075)	(68,259)	(69,775)	(72,123)	(72,207)	(75,811)	(77,657)	(80,117)	(82,913)	(85,299)	(87,899)
Interest paid	(4,752)	(4,298)	(4,000)	(3,880)	(3,715)	(4,269)	(4,663)	(4,599)	(4,375)	(4,040)	(3,727)	(3,806)
Rates and levies passed to GWRC	(17,540)	(18,770)	(19,108)	(19,220)	(19,682)	(20,154)	(20,658)	(21,174)	(21,725)	(22,290)	(22,892)	(23,487)
Net GST paid to Inland Revenue	-	-	-	-	-	-	-	-	-	-	-	-
	(116,882)	(115,744)	(117,345)	(119,423)	(122,595)	(124,604)	(129,840)	(132,824)	(136,375)	(140,220)	(143,696)	(147,796)
<b>Net cash inflows from operating activities</b>	<b>26,781</b>	<b>31,121</b>	<b>34,152</b>	<b>35,844</b>	<b>37,888</b>	<b>41,651</b>	<b>51,724</b>	<b>42,208</b>	<b>45,585</b>	<b>46,190</b>	<b>47,902</b>	<b>49,681</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>												
<b>Cash was provided from:</b>												
Sale of property, plant and equipment	5,142	1,000	1,500	2,500	1,900	-	-	-	-	-	-	-
Other investment receipts	5	100	150	150	300	450	450	500	200	150	200	-
	5,147	1,100	1,650	2,650	2,200	450	450	500	200	150	200	-
<b>Cash was applied to:</b>												
Purchase of property, plant and equipment	(18,903)	(26,725)	(25,345)	(16,744)	(20,173)	(49,870)	(57,450)	(38,882)	(34,039)	(31,212)	(66,061)	(45,263)
Less UHCC capital contribution	-	363	666	696	638	1,363	553	405	762	813	9,751	4,854
Purchase of assets under construction	(1,233)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)	(2,000)
Purchase of intangible assets	(1,910)	(2,115)	(1,835)	(11,010)	(12,209)	(2,486)	(1,846)	(1,371)	(1,825)	(1,655)	(1,605)	(2,325)
Other investments and payments	(649)	(221)	(100)	-	-	-	-	-	-	-	-	-
	(22,695)	(30,698)	(28,614)	(29,058)	(33,744)	(52,993)	(60,743)	(41,848)	(37,102)	(34,054)	(59,915)	(44,734)
<b>Net cash outflows from investing activities</b>	<b>(17,548)</b>	<b>(29,598)</b>	<b>(26,964)</b>	<b>(26,408)</b>	<b>(31,544)</b>	<b>(52,543)</b>	<b>(60,293)</b>	<b>(41,348)</b>	<b>(36,902)</b>	<b>(33,904)</b>	<b>(59,715)</b>	<b>(44,734)</b>

	ACTUAL 2011 \$000	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>												
Cash was provided from:												
Proceeds from borrowing	96,289	99,340	105,044	106,136	72,813	62,570	63,893	87,265	75,166	38,036	90,652	80,363
	96,289	99,340	105,044	106,136	72,813	62,570	63,893	87,265	75,166	38,036	90,652	80,363
<b>Cash was applied to:</b>												
Repayment of borrowing	(102,321)	(103,223)	(110,431)	(114,880)	(79,903)	(51,543)	(55,652)	(88,617)	(83,209)	(51,034)	(79,044)	(85,477)
	(102,321)	(103,223)	(110,431)	(114,880)	(79,903)	(51,543)	(55,652)	(88,617)	(83,209)	(51,034)	(79,044)	(85,477)
<b>Net cash inflows/(outflows) from financing activities</b>	<b>(6,032)</b>	<b>(3,883)</b>	<b>(5,387)</b>	<b>(8,744)</b>	<b>(7,090)</b>	<b>11,027</b>	<b>8,241</b>	<b>(1,352)</b>	<b>(8,043)</b>	<b>(12,998)</b>	<b>11,608</b>	<b>(5,114)</b>
Net increase/(decrease) in cash, cash equivalents and bank overdraft	3,201	(2,360)	1,801	692	(746)	135	(328)	(492)	640	(712)	(205)	(167)
Cash, cash equivalents and bank overdraft at beginning of the year	2,894	6,095	3,735	5,536	6,228	5,482	5,617	5,289	4,797	5,437	4,725	4,520
<b>Cash, cash equivalents and bank overdraft at end of the year</b>	<b>6,095</b>	<b>3,735</b>	<b>5,536</b>	<b>6,228</b>	<b>5,482</b>	<b>5,617</b>	<b>5,289</b>	<b>4,797</b>	<b>5,437</b>	<b>4,725</b>	<b>4,520</b>	<b>4,353</b>
Cash balance at end of the year comprises:												
Cash and on call deposits	6,095	3,735	5,536	6,228	5,482	5,617	5,289	4,797	5,437	4,725	4,520	4,353
Short term deposits	-	-	-	-	-	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-	-
<b>Cash, cash equivalents and bank overdraft at end of the year</b>	<b>6,095</b>	<b>3,735</b>	<b>5,536</b>	<b>6,228</b>	<b>5,482</b>	<b>5,617</b>	<b>5,289</b>	<b>4,797</b>	<b>5,437</b>	<b>4,725</b>	<b>4,520</b>	<b>4,353</b>

## Summary of Significant Accounting Policies

This Summary of Significant Accounting Policies supports the Forecast Financial Statements and other budgetary information included in the Long Term Plan.

### REPORTING ENTITY

The Hutt City Council (referred to as 'Council') is a territorial local authority governed by the Local Government Act 2002 and is domiciled 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.

Group prospective financial statements have not been presented as they would not differ significantly from the Financial Statements presented to Council.

The primary objective of Council is to provide goods and/or services for the community or social benefit rather than making a financial return. Accordingly, Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZ IFRS).

### BASIS OF PREPARATION

#### 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).

#### Functional and presentation currency

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 Income.

#### Changes in accounting policies

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2012-2022 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

### SIGNIFICANT ACCOUNTING POLICIES

#### Revenue

Revenue is measured at the fair value of consideration received or receivable.

#### *Rates revenue*

Rates 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. Rates revenue is recognised when payable.

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

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

#### *Government grants*

Council receives government grants from the New Zealand Transport Agency, 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.

#### *Provision of services*

Revenue from the rendering of services 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 services to be provided.

#### *Vested assets*

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as revenue. Assets vested in Council are recognised as revenue when control over the asset is obtained.

#### *Sale of goods*

Sales of goods are recognised when a product is sold to the customer. The recorded revenue is the gross amount of the sale, including credit card fees payable for the transaction. Such fees are included in other expenses.

#### *Traffic and parking infringements*

Traffic and parking infringements are recognised when tickets are issued.

#### *Interest and dividends*

Interest income is recognised using the effective interest method.

Dividends are recognised when the right to receive payment has been established.

**Development contributions**

The revenue recognition point for development and financial contributions is at the later of the point when Council is ready to provide the service for which the contribution was levied, or the event that will give rise to a requirement for a development or financial contribution under the legislation.

**Construction contracts**

Contract costs are recognised as expenses 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 specific contracts, costs that are specifically chargeable to the customer under the terms of the contract.

Where the outcome of a contract cannot be reliably estimated, contract costs are recognised as an expense as incurred.

Construction work in progress is stated at the aggregate of contract costs incurred to date.

**Borrowing costs**

Borrowing costs are recognised as an expense in the period in which they are incurred.

**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.

**Foreign currency transactions**

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 Income.

**Income tax**

Income tax expense comprises both current tax and deferred tax, and is calculated using tax rates that have been enacted or substantively enacted by balance date.

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

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

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.

Deferred tax is recognised on taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company can control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Current tax and deferred tax is charged or credited to the Statement of Comprehensive Income, except when it relates to items charged or credited directly to equity, in which case the tax is dealt with in equity.

**Leases****Finance leases**

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to ownership of an asset, whether or not title is eventually transferred.

At the commencement of the lease term, the Council recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased item or the present value of the minimum lease payments.

The finance charge is charged to the Statement of Comprehensive Income over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no certainty as to whether Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

**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.

**Cash and cash equivalents**

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less, and bank overdrafts.

Bank overdrafts are shown in current liabilities in the Statement of Financial Position.

**Debtors and other receivables**

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

**Derivative financial instruments**

Council uses derivative financial instruments to manage exposure to foreign exchange and interest rate risks arising from 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. The method of recognising the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and, if so, the nature of the item being hedged.

The associated gains or losses of derivatives that are not hedge accounted are recognised in the surplus or deficit.

The Council designates certain derivatives as either:

- hedges of the fair value of recognised asset or liabilities or a firm commitment (fair value hedge); or
- hedges of highly probable forecast transactions (cash flow hedge).

The Council does not designate its derivative financial instruments as hedging instruments for accounting purposes. Accordingly, derivative financial instruments are reported as fair value through surplus or deficit.

**Financial assets**

Financial assets and liabilities are initially measured 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 Statement of Comprehensive Income.

Purchases and sales of investments are recognised on trade-date, the date on which 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 the Council has transferred substantially all the risks and rewards of ownership.

Council classifies its financial assets into the following categories:

- fair value through surplus or deficit;
- loans and receivables;
- held-to-maturity investments and
- fair value through other comprehensive income.

The classification depends on the purpose for which the investments were 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. Derivatives (e.g. interest rate swaps and options) are also categorised as held for trading unless they are designated as hedges (see above).

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

After initial recognition assets in this class are measured at their fair values with gains or losses recognised in the surplus or deficit.

**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 balance date, which are included in non-current assets. The Council loans and receivables comprise cash and cash equivalents, trade and other receivables, term deposits, 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, including 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 loans are subsequently measured at amortised cost using the effective interest method. The difference between the face value and present value of expected future cash flows of the loan is recognised in the surplus or deficit as a grant.



***Held to maturity investments***

Held to maturity investments are non-derivative financial assets with fixed or determinable payments and fixed maturities that Council has the positive intention and ability to hold to maturity. They are included in current assets, except for maturities greater than 12 months after 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 income***

Financial assets at fair value through other comprehensive income 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 the investment within 12 months of the balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

The Council and group includes in this category:

- investments that it intends to hold long-term but which may be realised before maturity; and
- shareholdings that Council holds for strategic purposes.

Council's investments in its subsidiary and associate companies are not included in this category as they are held at cost (as allowed by NZ IAS 27 Consolidated and Separate Financial Statements and NZ IAS 28 Investments in Associates), whereas this category is to be measured at fair value.

After initial recognition these investments are measured at their fair value, with gains and losses recognised in other comprehensive income, except for impairment losses, which are recognised in the surplus or deficit.

On derecognition the cumulative gain or loss previously recognised in equity is reclassified and recognised in the surplus or deficit.

**Impairment of financial assets**

At each balance date Council assesses whether there is any objective evidence that a financial asset or group of financial assets is impaired. Any impairment losses are recognised in the Statement of Comprehensive Income.

***Loans, receivables and term deposits***

Impairment of a loan, receivable or term deposit is established when there is objective evidence that Council will not be able to collect all amounts due according to the original terms. Significant financial difficulties of the debtor/issuer, probability that the debtor/issuer will enter into bankruptcy, and default payments are considered 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 trade 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 Statement of Comprehensive Income. When the receivable is uncollectable, it is written off against the provision account. Overdue receivables that have been renegotiated are reclassified as current (i.e. not past due). For term deposits impairment losses are recognised directly against the instruments carrying amount.

***Quoted and unquoted equity investments***

For each equity investment classified as fair value through equity, a significant or prolonged decline in the fair value of the investment below its cost is considered an indicator of impairment. If such evidence exists for investments at fair value through equity, 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 Statement of Comprehensive Income) is removed from equity and recognised in the Statement of Comprehensive Income. Impairment losses recognised in the Statement of Comprehensive Income on equity investments are not reversed through the Statement of Comprehensive Income.

**Inventory**

Inventory (such as spare parts and other items) held for distribution or consumption in the provision of services that are not supplied on a commercial basis is measured at the lower of cost, adjusted when applicable, for any loss of service potential. Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

Inventory held for use in the production of goods and services on a commercial basis is valued at the lower of cost and net realisable value. The cost of purchased inventory is determined using the FIFO method. 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.

**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, not 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 Statement of Comprehensive Income. 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 are shown at cost or valuation, less accumulated depreciation and impairment losses.

Property, plant and equipment consist of:

#### Infrastructure assets

The fixed utility systems owned by Council and include resource consents. Each asset type includes all items that are required for the network to function. For example, sewerage reticulation includes reticulation piping and sewer pump stations.

#### Operational assets

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

#### Restricted assets

Parks and reserves owned by Council which provide a benefit or service to the community and cannot be disposed of because of legal or other restrictions.

#### 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. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Assets under construction are included at cost. The total cost of a project is transferred to the relevant capital class on its completion and then depreciated. Borrowing costs are not capitalised.

Costs incurred in obtaining any resource consents are capitalised as part of the asset to which they relate. If a resource consent application is declined then all capitalised costs are written off.

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.

Council costs that do not meet the criteria for capitalisation, or are below the thresholds of \$1,000 for information technology hardware and \$2,500 for other items, are charged to operating expenditure.

### 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 Statement of Comprehensive Income. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

### Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives, except that art, museum collections and land are not depreciated.

### Estimated economic lives

The expected useful economic lives have been estimated as follows:

	YEARS	PERCENTAGES
Operational assets		
Buildings:		
- Structure	30 - 100	1 – 3.33
- Roof	40 - 55	1.82 - 2.5
- Services	35 - 55	1.82 - 2.86
- Internal fit-out	15 - 45	2.22 – 6.67
- Plant	30 - 35	2.86 – 3.33
Landfill building assets	50 - 100	1 - 2
Library stock	2 - 14	7.14 - 50
Plant and equipment:		
- Office furniture	5 - 20	5 - 20
- Plant	3 - 25	4 – 33.33
- Computer equipment	3 – 5	20 – 33.33
- Playground equipment	5 – 30	3.33 - 20
- Recycling depots	10	10
Wharves	15 - 40	2.5 – 6.67
Landfill plant	20 - 35	2.86 - 5
Breakwaters	100	1
Parking meters	10 - 25	4 - 10
Other collection items	10	10
Infrastructure assets		
Storm, supply and waste water utility assets:		
- Pumping stations	12 - 80	1.25 – 8.33

	YEARS	PERCENTAGES
- Pencarrow outfall tunnels	500	0.2
- Pencarrow outfall other assets	25 - 62	1.61 - 4
- Resource consents	Life of the consent	
- Silverstream river crossing structure	60	1.67
- Storage tanks	15 - 50	2 - 6.67
- Treatment plant	5 - 100	1 - 20
Landfill storm water	100	1
Landfill roading	20 - 100	1 - 5
Roading network:		
- Berms	20	5
- Bridges	80 - 100	1 - 1.25
- Bus shelters	30 - 50	2 - 3.33
- Car parking	8 - 80	1.25 - 12.5
- Culvert and subways	100	1
- Debris fences	25	4
- Footpath walkway	15 - 50	2 - 6.67
- Kerbs and channel	15 - 80	1.25 - 6.67
- Pedestrian crossings	40 - 50	2 - 2.5
- Retaining walls	15 - 100	1 - 6.67
- Roading carriageway	7 - 120	0.83 - 14.29
- Seawalls	60 - 90	1.11 - 1.67
- Speed humps	12 - 50	2 - 8.33
- Street light support	50	2
- Street lights	25	4
- Sumps and leads	80	1.25
- Traffic barriers	10 - 30	3.33 - 10
- Traffic islands	60	1.67
- Traffic signals and signs	5 - 30	3.33 - 20
- Vehicle crossings	80	1.25

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year end.

**Revaluation**

The Council assesses the carrying values of its revalued assets 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 class is revalued.

Land, buildings (operational and restricted), library books, and infrastructural assets (except land under roads) are revalued with sufficient regularity to ensure that their carrying amount does not differ materially from fair value and at least every five years, on the basis described below. All other asset classes are carried at depreciated historical cost.

- Land and buildings have been valued at either optimised depreciated replacement cost or fair value.
- Infrastructure assets have been valued at optimised depreciated replacement cost. The exceptions are:
  - wharves, which are valued at indemnity value, reflecting their minimum residual value
  - traffic signs, which are stated at cost
  - land under roads, which is valued at 45% of the average market value of adjacent land within the sales group of similar zoning.
- Landfill assets are valued at depreciated replacement cost.
- Library literary assets are valued at depreciated replacement cost in accordance with draft guidelines released by the New Zealand Library Association and the National Library of New Zealand.
- Collections items are classified into relevant asset classes and are revalued on a cyclical basis.

All revaluations are carried out by independent valuers who specialise in the asset classes listed above. The exception is library literary assets, which are valued by staff with specialist knowledge in this area.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset. Where this results in a debit balance in the asset revaluation reserve, this balance is expensed in the Statement of Comprehensive Income. Any subsequent increase on revaluation that off-sets a previous decrease in value recognised in the Statement of Comprehensive Income will be recognised first in the Statement of Comprehensive Income up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

**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 the Hutt City Council based on an apportionment formula equating to between 25% and 32% 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 Statement of Comprehensive Income 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 licenses 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.

Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

**Easements**

Easements are recognised at cost, being the costs directly attributable to bringing the asset to its intended use. Easements have an indefinite useful life and are not amortised, but are instead tested for impairment annually.

**Amortisation**

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

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

Computer software	3 - 5 years	33.33% – 20%
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**Impairment of property, plant and equipment and intangible assets**

Assets that have an indefinite useful life, or not yet available for use, are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for indicators of impairment at each balance date. When there is an indicator of impairment the asset’s recoverable amount is estimated. 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.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future economic benefits or service potential.

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

If an asset’s carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class of asset was previously recognised in Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Statement of Comprehensive Income.

For assets not carried at a revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Statement of Comprehensive Income.

**Creditors and other payables**

Creditors and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

**Borrowings**

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless Council have 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 expect to be settled within 12 months of balance date are measured at nominal values based 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, retiring and long service leave entitlements expected to be settled within 12 months, and sick leave.

Council recognise a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year. The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Council anticipates it will be used by staff to cover those future absences.

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

### *Long-term benefits*

Entitlements that are payable beyond 12 months, 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.

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.

### **Superannuation schemes**

#### *Defined contribution schemes*

Obligations for contributions to defined contribution superannuation schemes are recognised as an expense in the Statement of Comprehensive Income 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/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".

### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires Council to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due.

Financial guarantee contracts are initially recognised at fair value. If a financial guarantee contract was issued in a stand-alone arms length transaction to an unrelated party, its fair value at inception is equal to the consideration received. When no consideration is received a provision is recognised based on the probability Council will be required to reimburse a holder for a loss incurred, discounted to present value. The portion of the guarantee that remains unrecognised, prior to discounting to fair value, is disclosed as a contingent liability.

Financial guarantees are subsequently measured at the initial recognition amount less any amortisation, however if Council assesses that it is probable that expenditure will be required to settle a guarantee, then the provision for the guarantee is measured at the present value of the future expenditure.

### **Landfill post closure costs**

As operator of the Silverstream and Wainuiomata landfill sites, Council has an obligation to ensure the ongoing maintenance and monitoring services at these landfill sites after closure. Council also has an obligation to monitor closed landfill sites previously operated by local authorities subsequently amalgamated to form the Hutt City Council.

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post closure costs when the obligation for post closure arises. The calculated cost is based on estimates of closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care for Silverstream is 30 years and Wainuiomata is 28 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.

## Equity

Equity is the community's interest in Council, measured by total assets less total liabilities. Equity is classified into a number of reserves to enable clearer identification of the specified uses that Council makes of their accumulated surpluses. The components of equity are:

- Accumulated funds;
- Council created reserves;
- Restricted reserves;
- Asset revaluation 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 third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

## 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.

## Notes to the Financial Statements

### Depreciation and amortisation expense by Group of Activities

	ACTUAL 2011 \$000	ESTIMATE 2012 \$000	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
Libraries	726	810	1,550	1,459	1,444	1,434	1,409	1,396	1,396	1,378	1,375	1,380
Museums	251	277	556	546	545	547	542	543	545	540	542	543
Aquatics and Recreation	810	910	1,498	1,545	1,655	1,704	1,736	1,900	2,039	2,006	2,201	2,391
Parks and Reserves	896	966	1,555	1,550	1,570	1,621	1,658	1,684	1,711	1,713	1,729	1,752
Community Development	42	42	121	118	117	118	118	118	119	121	123	126
<b>Group People</b>	<b>2,725</b>	<b>3,005</b>	<b>5,280</b>	<b>5,218</b>	<b>5,331</b>	<b>5,424</b>	<b>5,463</b>	<b>5,641</b>	<b>5,810</b>	<b>5,758</b>	<b>5,970</b>	<b>6,192</b>
<b>Roading &amp; Traffic</b>	<b>9,727</b>	<b>10,195</b>	<b>9,771</b>	<b>9,646</b>	<b>10,103</b>	<b>10,605</b>	<b>10,946</b>	<b>11,809</b>	<b>12,387</b>	<b>12,407</b>	<b>12,996</b>	<b>13,569</b>
<b>Water Supply</b>	<b>3,028</b>	<b>3,065</b>	<b>3,258</b>	<b>3,196</b>	<b>3,169</b>	<b>3,182</b>	<b>3,227</b>	<b>3,251</b>	<b>3,274</b>	<b>3,311</b>	<b>3,351</b>	<b>3,392</b>
<b>Wastewater</b>	<b>6,486</b>	<b>6,531</b>	<b>6,662</b>	<b>6,554</b>	<b>6,513</b>	<b>6,510</b>	<b>6,516</b>	<b>6,488</b>	<b>6,469</b>	<b>6,472</b>	<b>6,881</b>	<b>7,444</b>
<b>Stormwater</b>	<b>2,622</b>	<b>2,700</b>	<b>2,943</b>	<b>2,911</b>	<b>2,999</b>	<b>3,098</b>	<b>3,108</b>	<b>3,239</b>	<b>3,365</b>	<b>3,362</b>	<b>3,478</b>	<b>3,579</b>
<b>Solid Waste</b>	<b>384</b>	<b>455</b>	<b>465</b>	<b>464</b>	<b>476</b>	<b>490</b>	<b>498</b>	<b>518</b>	<b>538</b>	<b>549</b>	<b>568</b>	<b>586</b>
Environmental Management	-	1	-	-	-	-	-	-	-	-	-	-
Emergency Management	24	40	31	31	31	31	32	32	33	33	33	34
<b>Group Environment</b>	<b>24</b>	<b>41</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>31</b>	<b>32</b>	<b>32</b>	<b>33</b>	<b>33</b>	<b>33</b>	<b>34</b>
Local Urban Environment	199	290	302	295	293	294	297	304	303	299	299	292
Economic Development	10	10	25	23	22	20	19	17	16	15	14	13
<b>Group Economy</b>	<b>209</b>	<b>300</b>	<b>327</b>	<b>318</b>	<b>315</b>	<b>314</b>	<b>316</b>	<b>321</b>	<b>319</b>	<b>314</b>	<b>313</b>	<b>305</b>
Elected Members	4	-	4	3	2	1	1	-	-	-	-	-
Advice and Support	-	-	-	-	-	-	-	-	-	-	-	-
Managing Services	2,151	2,413	2,947	2,618	3,319	4,826	5,334	4,918	4,475	4,049	3,784	3,549
<b>Group Organisation</b>	<b>2,155</b>	<b>2,413</b>	<b>2,951</b>	<b>2,621</b>	<b>3,321</b>	<b>4,827</b>	<b>5,335</b>	<b>4,918</b>	<b>4,475</b>	<b>4,049</b>	<b>3,784</b>	<b>3,549</b>
<b>Total *</b>	<b>29,234</b>	<b>30,716</b>	<b>31,688</b>	<b>30,959</b>	<b>32,258</b>	<b>34,481</b>	<b>35,441</b>	<b>36,217</b>	<b>36,670</b>	<b>36,255</b>	<b>37,374</b>	<b>38,650</b>

\* 2011 total includes Property activity depreciation \$1,874  
 2012 total includes Property activity depreciation \$2,011

### Reconciliation of Financial Statements to Funding Impact Statement

	BUDGET 2013 \$000	FORECAST 2014 \$000	FORECAST 2015 \$000	FORECAST 2016 \$000	FORECAST 2017 \$000	FORECAST 2018 \$000	FORECAST 2019 \$000	FORECAST 2020 \$000	FORECAST 2021 \$000	FORECAST 2022 \$000
<b>Total revenue from Prospective Statement of Comprehensive Income</b>	<b>132,689</b>	<b>136,627</b>	<b>141,389</b>	<b>147,016</b>	<b>161,857</b>	<b>154,833</b>	<b>161,247</b>	<b>165,160</b>	<b>169,784</b>	<b>175,083</b>
Less vested assets	(600)	(613)	(630)	(643)	(660)	(678)	(695)	(714)	(732)	(750)
Less capital contributions	(4,110)	(4,216)	(4,362)	(5,779)	(16,207)	(5,407)	(6,928)	(5,861)	(5,516)	(5,663)
Add internal rates revenue	3,210	3,312	3,418	3,527	3,643	3,763	3,891	4,023	4,163	4,304
Less JSP special rate	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)
<b>Funding Impact Statement Total Operating Funding (A)</b>	<b>131,079</b>	<b>135,000</b>	<b>139,705</b>	<b>144,011</b>	<b>148,523</b>	<b>152,401</b>	<b>157,405</b>	<b>162,498</b>	<b>167,589</b>	<b>172,864</b>
<b>Total expenditure from Prospective Statement of Comprehensive Income</b>	<b>131,275</b>	<b>131,891</b>	<b>135,183</b>	<b>140,912</b>	<b>145,451</b>	<b>148,714</b>	<b>152,224</b>	<b>155,113</b>	<b>159,165</b>	<b>163,937</b>
Less depreciation	(31,688)	(30,959)	(32,258)	(34,481)	(35,441)	(36,217)	(36,670)	(36,255)	(37,374)	(38,650)
Add internal rates	3,210	3,312	3,418	3,527	3,643	3,763	3,891	4,023	4,163	4,304
<b>Funding Impact Statement Total Applications of Operating Funding (B)</b>	<b>102,797</b>	<b>104,244</b>	<b>106,343</b>	<b>109,958</b>	<b>113,653</b>	<b>116,260</b>	<b>119,445</b>	<b>122,881</b>	<b>125,954</b>	<b>129,591</b>
<b>Net Surplus Per Prospective Statement of Comprehensive Income</b>	<b>1,414</b>	<b>4,736</b>	<b>6,206</b>	<b>6,104</b>	<b>16,406</b>	<b>6,119</b>	<b>9,023</b>	<b>10,047</b>	<b>10,619</b>	<b>11,146</b>
Add depreciation expense	31,688	30,959	32,258	34,481	35,441	36,217	36,670	36,255	37,374	38,650
Less capital contributions	(4,110)	(4,216)	(4,362)	(5,779)	(16,207)	(5,407)	(6,928)	(5,861)	(5,516)	(5,663)
Less vested assets	(600)	(613)	(630)	(643)	(660)	(678)	(695)	(714)	(732)	(750)
Less JSP special rate	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)	(110)
<b>Funding Impact Statement Surplus (Deficit) of Operating Funding (A-B)</b>	<b>28,282</b>	<b>30,756</b>	<b>33,362</b>	<b>34,053</b>	<b>34,870</b>	<b>36,141</b>	<b>37,960</b>	<b>39,617</b>	<b>41,635</b>	<b>43,273</b>

### Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surplus held in reserves are credited with interest. The Council holds 13 reserves, with 5 being restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that the Council may put the funds towards. The remaining Council created reserves are discretionary reserves which the 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 the 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 information across the ten years of the 10 year plan:



	OPENING BALANCE JULY 2012 \$000	DEPOSITS \$000	EXPENDITURE \$000	CLOSING BALANCE JUNE 2022 \$000
<b>COUNCIL CREATED RESERVES – PURPOSE OF THE FUND</b>				
<b>Reserve Purchase &amp; Development (Parks and Reserves Activity)</b> To provide for the purchase of land for reserves purposes or the development of existing reserves. The Fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the Fund is to provide open space and recreational opportunity to offset the effects of land use intensification.	7,550	6,577	(9,986)	4,141
<b>Election Fund (Managing Services Activity)</b> To annual provide for the cost of Council elections and by-elections.	78	498	(433)	143
<b>Landfills Reserve (Solid Waste Activity)</b> To set funds aside for the longer term replacement of the landfill.	8,461	77,630	(14,388)	71,703
<b>Waste Minimisation Reserve</b> To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contract.	1,934	17,391	(17,614)	1,711
<b>Wingate Landfill Reserve (Parks and Reserves Activity)</b> To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	148	70	(28)	190
<b>Piano Replacement Reserve (Museums Activity)</b> To provide funds for the replacement of the Steinway piano at the Little Theatre.	72	1	(73)	-
<b>Wingate Park (Parks and Reserves Activity)</b> To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.	152	73	(25)	200
<b>Ex Hillary Commission Funds (Aquatics and Recreation)</b> To provide funding for sporting activities, approval needs to be given by Sport New Zealand.	127	14	(133)	8
<b>Total</b>	<b>18,522</b>	<b>102,254</b>	<b>(42,680)</b>	<b>78,096</b>
<b>RESTRICTED RESERVES – PURPOSE OF THE FUND</b>				
<b>Taita Cemetery - JV Bently (Parks and Reserves Activity)</b> A contract between Council and Mrs JV Bently on the maintenance in perpetuity of these plots: Plot 32/33 block 7, St James section. Containing Issac Young, Eliza Young and AG Talbut.	2	1	(1)	2
<b>Lavelle Tree Bequest (Parks and Reserves Activity)</b> To provide for the planting of trees in and around Hutt City on major thoroughfares.	34	9	(29)	14
<b>JWT Adams Bequest (Museums Activity)</b> To be utilised to establish and service a photographic collection for the Dowse. There is no specific expenditure plan for the coming ten years on the purchase of photographic items for the collection.	18	5	(12)	11
<b>ML Talbut Bequest (Parks and Reserves Activity)</b> To provide for the planting and maintenance of reserves.	12	4	(7)	9
<b>Eastbourne Arts Trust (Museums Activity)</b> To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.	13	4	(11)	6
<b>Total</b>	<b>79</b>	<b>23</b>	<b>(60)</b>	<b>42</b>

## Funding Impact Statement

### INTRODUCTION

In terms of the Local Government (Rating) Act 2002, and the Local Government Act 2002, each council is required to prepare a Funding Impact Statement disclosing the revenue and financing mechanisms it intends to use.

The information in the following sections is intended to achieve compliance with this legislation by, among other things, giving ratepayers 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 table on page 177 sets out the revenue and financing mechanisms to be used for 2012-2022, and indicates the revenue forecast to be produced by each mechanism.

Details of user charges and other funding sources, and the proportion applicable to each activity, are shown in more detail in the Revenue and Financing Policy.

### RATES FOR YEAR

For the 2012/13 year, and for subsequent years, it is intended that Council will set the following rates:

#### a) Water Supply Rate

A separate targeted rate will be set to meet 100% of the 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.
- 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.

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.
- The owner of a rating unit with more than one separately used or inhabited part may opt to install a water meter to measure the total water consumed. In such a case only one charge will be made for the entire rating unit, but the owner will be liable to pay for water consumed as measured by the meter.

#### b) Wastewater Rate

A separate targeted rate will be set to meet 100% of the costs of wastewater collection, treatment and disposal within the city. Lump sums will not be invited in respect of this rate.

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

- A charge for the first water closet or urinal connected to the wastewater system from each rating unit.
- A charge of 50% of the above charge for the second and each subsequent water closet or urinal connected to the wastewater system from each rating unit.

Provided that:

- Each household is charged for no more than one water closet, regardless of the actual number.
- No charge is made to any rating unit not connected to the wastewater system.
- In the case of urinals each 900 mm or part thereof will be treated as being equivalent to one water closet.

#### c) Recycling Charge

A separate 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.

**d) Jackson Street Programme Rate**

A separate 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.

**e) Private Drains Rate**

A separate targeted rate will be set to recover the cost of the work undertaken by the Council to upgrade substandard private drains situated within the boundaries of rating units. The cost of the work is to be recovered over a five-year period from the ratepayers for these rating units as a uniform rate per dollar based on the costs incurred by the Council and not otherwise paid by the ratepayer. In future years further upgrading work of this nature will be undertaken and the costs may be recovered in the same way. Lump sums are invited in respect of this rate.

**f) 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.

**UNIFORM ANNUAL GENERAL CHARGE**

Council does not propose to set a Uniform Annual General Charge (UAGC) for 2012/2013, but in future years if a UAGC is set this will be calculated as one fixed amount per separately used or inhabited part (SUIP) of a rating unit.

**DEFINITION OF SUIP**

For the purposes of the UAGC or any targeted rate set as a fixed amount per separately used or inhabited part (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 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 separately used or inhabited part.

**DIFFERENTIAL RATING DETAILS**

Each rating unit is allocated to a differential rating category (based on land use) for the purpose of calculating the general rate, or any specified targeted rate based on capital value.

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 is indicated by Council’s Revenue and Financing Policy.

For the 2012/2013 rating year, only the general rate has been set using these differential categories and relationships. Refer also to the new differentials.

**Definition of Rating Categories**

CATEGORY	DESCRIPTION
Residential (RE)	All rating units in the city which are: <ul style="list-style-type: none"> <li>• used primarily for residential purposes,</li> <li>• used or set aside for reserve or recreational purposes (other than East Harbour Regional Park), excluding properties categorised as rural.</li> </ul>
Rural (RU)	All rating units in the city which are: <ul style="list-style-type: none"> <li>• used primarily for any purpose other than residential, commercial, industrial, recreational or reserve,</li> <li>• used primarily for residential purposes, having an area in excess of 3,000 m<sup>2</sup>, but not connected to either water and sewerage reticulation,</li> <li>• East Harbour Regional Park.</li> </ul>
Business Accommodation (BA)	All rating units in any part of the city which are used primarily for commercial accommodation.
Business Central (BC)	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"> <li>• Utility Networks,</li> <li>• Business Accommodation.</li> </ul>
Business Suburban (BS)	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"> <li>• Community Facilities,</li> <li>• Business Central,</li> <li>• Utility Networks,</li> <li>• Business Accommodation.</li> </ul>
Utility Networks (UN)	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"> <li>• Non-rateable in terms of the Local Government (Rating) Act 2002,</li> <li>• 50% non-rateable in terms of the Local Government (Rating) Act 2002.</li> </ul>

CATEGORY	DESCRIPTION
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"> <li>• Use the land for non-trading purposes for the benefit of the community,</li> <li>• 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.</li> </ul>
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.
- A “utility network” includes:
  - A gas, petroleum or geothermal energy distribution system.
  - An electricity distribution system.
  - A telecommunications or radio communications system.
  - A wastewater, stormwater 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 rate in the dollar set and assessed in respect of each specified category of rating units shall vary from the rate in the dollar in respect of any other specified category of property as set out below. Council has amended the differential factors used in 2011/12 and these will be introduced over a 10 year period. The figures below are based on the current year’s rates.

CATEGORY	DIFFERENTIAL FACTOR	TRANSITION OVER 10 YRS										DIFFERENTIAL FACTOR AFTER 10 YRS
	2011/12	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22	
Residential (RE)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Rural (RU)	0.65	0.67	0.68	0.70	0.71	0.73	0.74	0.76	0.77	0.79	0.80	0.80
Business Accommodation (BA)	3.00	2.93	2.86	2.79	2.72	2.65	2.58	2.51	2.44	2.37	2.30	2.30
Business Central (BC)	3.70	3.56	3.42	3.28	3.14	3.00	2.86	2.72	2.58	2.44	2.30	2.30
Business Suburban (BS)	3.40	3.29	3.18	3.07	2.96	2.85	2.74	2.63	2.52	2.41	2.30	2.30
Utility Networks (UN)	2.50	2.48	2.46	2.44	2.42	2.40	2.38	2.36	2.34	2.32	2.30	2.30
Community Facilities 1 (CF1)	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Community Facilities 2 (CF2)	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Community Facilities 3 (CF3)	2.50	2.48	2.46	2.44	2.42	2.40	2.38	2.36	2.34	2.32	2.30	2.30



## Rates for 2012/2013

### 1. INTRODUCTION

The Funding Impact Statement (FIS) details the rates to be set, defines the differential categories, and shows the rating factors to be used for 2012/2013.

The preceding table shows a summary of all Council funding sources, including rates. The information set out below shows details of each individual rate forming part of the total rates. It shows an amount for each rate and charge, and which properties are liable for each rate. It also shows the expected change in the amount payable on a range of typical properties.

It should be noted that all figures in this section are GST inclusive, unless otherwise stated.

### 2. CHANGES

Changes have been made to the city-wide rating structure and differential factors being used for the 2012/2013 year.

### 3. SCHEDULE OF RATES FOR 2012/2013

#### a) Water Supply Rate

Type: Targeted Rate

Rating Factor: Separately used or inhabited part of a rating unit

The charges for the 2012/13 rating year are as follows:

CATEGORY	CHARGE
Connected	\$347 per part
Serviceable but not Connected	\$173.50 per part

#### b) Wastewater Rate

Type: Targeted Rate

Rating Factor: Number of Water Closets or urinals

The charges for the 2012/13 rating year are as follows:

CATEGORY	CHARGE
First WC or urinal per Rating Unit	\$437 each
Second and each subsequent WC or urinal per rating unit	\$218.50 each

#### c) Recycling Charge

Type: Targeted Rate

Rating Factor: Separately used or inhabited part of a rating unit

The charge for the 2012/13 rating year is as follows:

CATEGORY	CHARGE
Rating units in the Residential category receiving or able to use the recycling collection service.	\$36

#### d) Jackson Street Programme Rate

Type: Targeted Rate

Rating Factor: Capital Value

The charge for the 2012/13 rating year is as follows:

CATEGORY	RATE
Rating units in any business category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street.	0.08078 cents per \$ of Capital Value

#### e) Private Drains Rate

Type: Targeted Rate

Rating Factor: Cost of work to upgrade private drain

The charges for the 2012/13 rating year are as follows:

CATEGORY	CHARGE
Per dollar of the cost of the work to upgrade private drain	24.30 cents per year for five years

#### f) General Rate

Type: General Rate

Rating Factor: Capital Value

The differential categories and charges for the 2012/13 rating year are as follows:

CATEGORY	RATIO	CHARGE PER \$ OF CAPITAL VALUE
Residential (RE)	1.00	0.28912 cents
Rural (RU)	0.67	0.19227 cents
Business Accommodation (BA)	2.93	0.84712 cents
Business Central (BC)	3.56	1.02927 cents
Business Suburban (BS)	3.29	0.95121 cents
Utility Networks (UN)	2.48	0.71702 cents
Community Facilities 1 (CF1)	1.00	0.28912 cents
Community Facilities 2 (CF2)	0.50	0.14456 cents
Community Facilities 3 (CF3)	2.48	0.71702 cents

#### 4. SUMMARY OF REVENUE REQUIRED FROM RATES

RATE	AMOUNT (INCLUSIVE OF GST) \$000	AMOUNT (EXCLUSIVE OF GST) \$000
General Rate	70,983	61,724
Targeted Rates:		
Water Supply	13,812	12,010
Wastewater	18,598	16,173
Jackson St	127	110
Recycling	1,380	1,200
Private Drains	90	78
Total Rate Revenue	104,990	91,295

Note: Total rate revenue includes rates charged on Council-owned properties.

#### 5. SUMMARY OF REVENUE REQUIRED BY DIFFERENTIAL GROUP

DIFFERENTIAL GROUP	RATES 2012/13 \$000	TOTAL RATES BY CATEGORY \$000	PROPORTION OF TOTAL RATES %
Residential		67,730	64.50%
Rural		582	0.55%
Utility Networks		4,298	4.10%
Business:			
Accommodation	680		
Central	8,771		
Suburban	21,785	31,236	29.75%
Community Facilities:			
1	836		
2	151		
3	157	1,144	1.10%
Total Rates Levied		104,990	100.00%

#### 6. EXAMPLES OF RATES ON A RANGE OF TYPICAL PROPERTIES

The examples below show how a range of properties are affected by the rates for the new year.

PROPERTY CATEGORY	RATEABLE VALUES 2010 AS AT JUNE 2012 \$	2011/2012 RATES	2012/2013 RATES		
		CURRENT RATES \$	RATES \$	CHANGE AMOUNT \$	CHANGE AMOUNT%
Average Residential	366,024	1,815	1,880	65	3.58
Average Bus. Central	1,472,419	16,148	16,155	7	0.04
Average Bus. Suburban	1,081,462	11,054	11,192	138	1.25
Average Bus. Accommod.	2,312,200	22,576	23,624	1,048	4.64
Average Rural (No Water/ Wastewater Services)	575,956	1,021	1,108	87	8.52
Residential	390,000	1,884	1,948	64	3.40
Residential	750,000	2,872	2,988	116	4.04
Residential (22 Flats)	2,800,000	20,952	21,547	595	2.84
Residential	220,000	1,417	1,456	39	2.75
Residential	470,000	2,103	2,179	76	3.61
Residential	220,000	1,417	1,456	39	2.75
Rural (No Water/Wastewater Services)	440,000	785	846	61	7.77
Rural (Full Services)	950,000	2,472	2,611	139	5.62
Rural (Full Services)	530,000	1,723	1,803	80	4.64
Rural (No Water/Wastewater Services)	220,000	393	423	30	7.63
Business Accommodation	1,250,000	15,031	15,306	275	1.83
Business Central	9,150,000	94,808	96,055	1,247	1.32
Business Central	285,000	3,672	3,717	45	1.23
Business Suburban	650,000	6,843	6,967	124	1.81
Business Suburban	860,000	9,683	9,838	155	1.60
Business Suburban (JSP)	730,000	8,178	8,318	140	1.71
Business Suburban (JSP)	12,000,000	12,843	13,049	206	1.60
Business Suburban	1,700,000	26,543	26,787	244	0.92
Business Suburban	315,000	3,717	3,780	63	1.69

## 7. RATES INSTALMENT DETAILS

The amount of the annual rates payable on each rating unit is payable by six equal instalments by the following dates:

Instalment No.	Due Date
One	20 August
Two	20 October
Three	20 December
Four	20 February
Five	20 April
Six	20 June

Where the annual rates are not able to be set in time for the first instalment, the first instalment will be calculated and charged as one sixth of the previous year's rates.

The remaining five instalments will then be calculated as each being one fifth of the amount of the annual rates, after deducting the amount of instalment one.

## 8. PENALTIES ON UNPAID RATES

If the rates instalment amount is not paid by the due date then the following penalty charges will be incurred:

- After the due date shown for each instalment, a penalty charge of 10% of the amount remaining unpaid for that instalment will be added to the rate account
- All rates levied in any previous financial year (including any penalty amounts already added for late payment) which remain unpaid after the due date for payment of the second instalment in the current year (20 October), will incur a further penalty charge of 10%
- All rates levied in any previous financial year (including any penalty amounts already added for late payment) which remain unpaid after the due date for payment of the fifth instalment in the current year (20 April), will incur a further penalty charge of 10%.

Provided that no penalty shall be added to any rate account:

- Where 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; or
- Where any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year.

## Fees and Charges for 2012/2013

The following is a consolidated list of Hutt City Council's fees and charges. All fees and charges include Goods and Services Tax (GST). Council will be consulting separately on increases proposed to environmental consent fees. The current and proposed fees are included below for information and any changes to environmental consent fees will be implemented from 1 September 2012. See [www.huttcity.govt.nz](http://www.huttcity.govt.nz) for more information.

### ANIMAL SERVICES

	2012/2013
<b>Dog</b>	
Entire Dog	\$98.00
Neutered	\$87.00
All dogs not registered by 4 August	\$150.00
Classified "Dangerous"	\$126.00
Classified "Dangerous" and not registered by 4 August	\$200.00
Responsible owner status	\$58.00
Replacement registration tags	\$5.00
Euthanasia at owner's request	\$31.00
Licence fee for keeping more than two dogs	\$31.00
<b>Infringement fees set in the Dog Control Act 1996 apply</b>	
Micro-chipping fee	\$31.00
<b>Impounding and Sustenance Fees (Registered Dogs)</b>	
First impounding during year of registration	\$77.00
Second impounding during year of registration	\$154.00
Sustenance fee per dog per day	\$17.00
Boarding fee per day	\$17.00
Seizure fee	\$77.00
<b>Impounding and Sustenance Fees (Unregistered Dogs)</b>	
First impounding during year of registration	\$100.00
Second impounding during year of registration	\$170.00
Sustenance fee per dog per day	\$17.00
Boarding fee per day	\$17.00
Seizure fee	\$100.00



## ARCHIVES

	2012/2013
There is no charge for inspecting items at the public reading room	
<b>Search Fees</b>	
1 Hour	Free
Fee per additional half-hour	\$38.00
<b>Research Questions - Fees apply*</b>	
Fee per half-hour	\$38.00
Note: * For Public Records Act access The full half-hour fee will be charged for each part-period used Fees are chargeable in advance	
<b>Photocopy Fees</b>	
Copying is subject to the physical condition and type of the item - in the interest of preserving the archive, and copyright legislation	
All copying of archives will be carried out by Archive staff	
A4 Up to 20 pages	Free
Pages in excess of 20	\$0.20 cents per page*
A3	\$2.00 per page*

\* Fees to recover the cost of staff time may apply. After the first 10 minutes of copying, staff time will be added to the search/ research time.

## BOAT SHEDS

Boat shed	Independent valuation on a square metre basis
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## CEMETERIES

	2012/2013
<b>Plot Purchase and Maintenance In-perpetuity</b>	
Adult	\$1,345.00
Child (1 to 12 years)	\$565.00
Infant (under 1 year)	\$123.00
Ashes	\$507.00
Ashes garden, Taita and Wainuiomata	\$820.00
Memorial tree plots, Block 18	\$824.00
Ponga trail, Block 19	\$660.00
<b>Interment Fees</b>	
Adult	\$690.00
Child (1 to 12 years)	\$445.00
Infant (under 1 year)	\$123.00
Ashes	\$92.50
<b>RSA Section</b>	
Burial plot purchase	Free
Burial interment fee	\$690.00
Ashes plot purchase	Free
Ashes interment fee	\$92.50
Ashes interment (memorial wall)	\$92.50
<b>Disinterments</b>	
Burial (body)	\$1,900.00*
Ashes	\$175.00*
* Note: These figures are indicative only and the actual charge may differ depending on the nature of the disinterment	
<b>Re-interments</b>	
To be charged as for interment fees	
<b>Special Fees and Charges</b>	
Outside district fees*	\$920.00
Outside district fee* - children under 12	\$810.00
Outside district fee* - RSA	\$920.00
Outside district fee* - ashes	\$665.00
Casket larger than standard	\$205.00
Extra depth (90 centimetres)	\$166.50
Weekend interment - casket	\$355.50
Weekend interment - ashes	\$175.50
Plaque/Memorial fees	\$67.00
Plot cancellation fee	\$44.00
Transfer of exclusive right	\$44.00
Breaking of concrete	Actual cost
Search fee: per entry (up to 30 minutes)	\$16.00

\* 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

	2012/2013
Application fee (new applications)	\$173.00
Application fee (alterations to existing use)	\$58.00
Gardens	\$115.00pa
Single garage	\$128.00pa
Double garage	\$256.00pa
Commercial	Assessed by Council at a market rate

Note: These are indicative figures only and actual charges may differ depending on the nature of the encroachment. Other encroachment types will be assessed by Council on an individual basis.

## ENGINEERING RECORDS AND LAND INFORMATION SERVICES

PRINT SIZE	2012/2013		
	PLAN PRINTER	TRANSPARENCY PLAN PRINTER	INK JET PLOTS
Oversize	-		\$52.00
A0	-		\$31.00
A1	\$8.50	\$5.50	\$21.00
A2	\$4.50	\$3.50	\$11.00
A3	\$2.50		\$7.50
A4	-		\$5.50
GIS Specialists time (per hour)	\$62.00		
District Plan spatial data	\$1,025.00 or part thereof		

### OTHO-RECTIFIED AERIAL IMAGES

(CHARGES APPLY FOR FULL YEAR)	YEAR 1	YEAR 2	YEAR 3	YEAR 4	YEAR 5
Georeferenced tiff files – per file*	\$52.00	\$46.00	\$40.00	\$35.00	\$30.00
Monthly subscription for Web Map Service	\$500.00	\$438.00	\$383.00	\$335.00	\$293.00
*Bulk Discounts	\$1,000+	\$10,000+	\$20,000+		
	Less 10%	Less 20%	Less 25%		

## ENVIRONMENTAL CONSENTS

Council will be consulting separately on increases proposed to environmental consent fees. The current and proposed fees are included below for information and any changes to environmental consent fees will be implemented from 1 September 2012. See [www.huttcity.govt.nz](http://www.huttcity.govt.nz) for more information.

## Resource Consents

All fees include GST and are payable under section 36 of the Resource Management Act (RMA) 1991. Fees are not refundable if your application is declined or withdrawn. Additional charges may apply (see below). Application fees cover the cost of processing your application only. After you start building there are charges to cover the cost of Council's monitoring costs, such as site visits, research, photos, communications and administration.

NON-COMPLYING, DISCRETIONARY, RESTRICTED DISCRETIONARY, CONTROLLED	2011/2012	2012/2013
Notified application - hearing required (includes up to 40 hours of processing and one monitoring inspection) If application is required to be notified in a daily newspaper, an additional fee of \$1,000.00 is required	\$5,330.00	\$6,150.00
Notified application - no hearing required (includes up to 30 hours of processing and one monitoring inspection)	\$4,030.00	\$4,650.00
Limited notification (includes up to 30 hours of processing and one monitoring inspection)	\$4,030.00	\$4,650.00
Non-notified resource consent (includes up to seven hours of processing and one monitoring inspection)	\$1,040.00	\$1,200.00
Non-notified resource consent- residential additions and alterations (includes up to five hours of processing and one monitoring inspection)	\$780.00	\$900.00
All additional processing (per hour)	\$130.00	\$150.00
Administration charges (per hour)	\$90.00	\$90.00
Hearing Commissioner time to be recovered from applicants for time spent in hearings and deliberating (per hour)	Chair \$85.00 Members \$68.00	Council Commissioners: Chair \$87.00 Members \$70.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - \$70.00
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 base fee at receipt of application: \$300 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 base fee at receipt of application: \$450 per hour of additional processing time will be charged)

Consultant’s fees and costs of disbursements will also be additionally charged and invoiced when consent is completed.

SUBDIVISIONS (INCLUDING UNIT TITLE, CROSS LEASE)	2011/2012	2012/2013
Notified application – hearing required (includes up to 40 hours of processing and one monitoring inspection) If application is required to be notified in a daily newspaper, an additional fee of \$1,000.00 is required	\$5,330.00	\$6,150.00
Notified application – no hearing required (includes up to 30 hours of processing and one monitoring inspection)	\$4,030.00	\$4,650.00
Limited notification (includes up to 30 hours of processing and one monitoring inspection)	\$4,030.00	\$4,650.00
Subdivision consent including land use consent (includes up to 10 hours of processing and one monitoring inspection)	\$1,430.00	\$1,650.00
Subdivision consent including certificate under section 223 of the RMA (includes up to 8 hours of processing and one monitoring inspection)	\$1,170.00 plus \$51 per lot over 4 lots	\$1,350.00 plus \$60 per lot over 4 lots
Certificate under section 224 of the RMA	\$258.00	\$300.00
Certificate under section 226 of the RMA (includes up to three hours of processing)	\$390.00	\$450.00
Section 241 and 243 RMA application (includes up to six hours of processing)	\$780.00	\$900.00
Rights of way (includes three hours of processing)	\$390.00	\$450.00
Rights of way sealing fee	\$155.00	\$180.00
Hearing Commissioner time to be recovered from applicants for time spent in hearings and deliberating (per hour)	Chair \$85.00 Members \$68.00	Council Commissioners: Chair \$87.00 Members \$70.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - \$70.00

OTHER FEES	2011/2012	2012/2013
Sec 139A Existing Use Certificate application (includes up to six hours of processing)	\$780.00	\$900.00
Certificate of Compliance (includes up to six hours of processing)	\$780.00	\$900.00
Outline Plan (includes up to six hours of processing and one monitoring inspection)	\$910.00	\$1,050.00
Outline Plan waiver (includes up to six hours of processing)	\$910.00	\$1,050.00
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)	\$780.00	\$900.00
Section 357, 357A and 357B objection (non-notified)	\$780.00	\$900.00
Certificate of Use under Sale of Liquor Act 1989	\$155.00	\$180.00
Any special inspections (per hour)	\$130.00	\$150.00
Sealing fee (for urgent applications for registrable instruments)	\$82.00	\$94.00
Certificate under Overseas Investment Act 1973	\$390.00	\$450.00
Cost of disbursements, i.e. venue hire, photocopying, catering, postage, public notification	Actual cost	Actual cost
Administration costs (per hour)	\$90.00	\$90.00
Independent consultants, advisors, specialists	Actual cost	Actual cost
All consents: additional processing hours (per hour)	\$130.00	\$150.00
Discharge or withdrawal of registrable agreement – legal costs plus officers’ time at (per hour)	\$130.00	\$150.00
Processing request for removal of building line (plus disbursements)	\$153.00	\$175.00
Adjustment or revocation of easements – legal costs plus officers’ time at (per hour)	\$130.00	\$150.00
Bond preparation and/or release (up to two hours)	-	\$300.00

ENVIRONMENTAL SUSTAINABILITY INITIATIVES	2011/2012	2012/2013
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		
Eco design advisor home assessment (two hours)	Free of charge	Free of charge
Home Star certified assessment	\$400.00	\$460.00
All additional monitoring inspections (per visit)	\$130.00	\$150.00

Consultant’s fees and costs of disbursements will also be additionally charged and invoiced when consent is completed.

**Terms and Late Payment**

*Initial and Additional Fees*

Fees must be paid before applications are processed. 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)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount
- daily interest (rate of 15% pa) from the date of default.

**BUILDING CONSENTS**

Project Information Memorandum (PIM), Building Consent (BC,) Amendment to Building Consent, Certificate for Public Use (CPU), Certificate of Acceptance Fee (COA) and Compliance Schedules (CS)/Building Warrants of Fitness(BWF)

Please note that the PIM and BC fees listed below are base fees only and do not include any additional administration, processing or inspections, consultant fees or Building Research Association of NZ (BRANZ) and Department of Building and Housing (DBH) levies. These will be charged extra as and if required.

TOTAL PIM AND BC VALUE OF WORK	2011/2012		2012/2013	
	PIM	BC	PIM	BC
Free standing fire (includes one hour processing & 1.25 hours administration) Fast Track – five days	\$100.00	\$200.00	\$100.00	\$370.00 1 inspection
Inbuilt fire (includes one hour processing & 1.25 hours administration) Fast Track – five days	\$100.00	\$250.00	\$100.00	\$510.00 2 inspections
Standard garages (includes up to 1.5 hours processing & 1.25 hours administration) Fast Track - five days			\$194.00	\$560.00 2 inspections
< \$5,000 (includes up to 1.5 hours processing & 1.25 hours administration)	\$194.00	\$321.00	\$194.00	\$560.00 2 inspections
To \$10,000 (includes up to 2.5 hours processing & 2.5 hours administration)	\$194.00	\$530.00	\$194.00	\$940.00 3 inspections
To \$19,999 (includes up to 4 hours processing & 2.75 hours administration)	\$296.00	\$740.00	\$296.00	\$1,150.00 3 inspections
To \$50,000 (includes up to 5 hours processing & 2.75 hours administration)	\$296.00	\$1,108.00	\$296.00	\$1,750.00 4 inspections
To \$100,000 (includes up to 7 hours processing & 2.75 hours administration)	\$350.00	\$1,737.00	\$350.00	\$1,800.00 5 inspections
To \$200,000 (includes up to 9 hours processing & 4.5 hours administration)	\$350.00	\$2,083.00	\$350.00	\$2,235.00 6 inspections
To \$300,000 (includes up to 10 hours processing & 4.5 hours administration)	\$500.00	\$2,543.00	\$500.00	\$2,480.00 6 inspections
To \$500,000 (includes up to 12 hours processing & 4.5 hours administration)	\$750.00	\$3,116.00	\$750.00	\$2,870.00 7 inspections
To \$700,000 (includes up to 12 hours processing & 4.5 hours administration)	\$750.00	\$3,805.00	\$750.00	\$2,870.00 7 inspections
To \$1,000,000 (includes up to 12 hours processing & 4.5 hours administration)	\$1,000.00	\$4,830.00	\$1,000.00	\$2,870.00 7 inspections
Over \$1,000,000	\$1,000.00 + \$102.00 per \$200,000	\$4,405.00 + \$405.00 per \$200,000	\$1,000.00 + \$102.00 per \$200,000	Time cost

Once building consent has been granted, you will be notified of any further fees due, such as additional administration, processing and/or inspection fees, consultant fees, BRANZ and DBH levies.

The BRANZ levy is \$1.00 per \$1,000 for works \$20,000 and over, and DBH levy is \$2.01 per \$1,000 for works \$20,444 and over.

OTHER FEES	2011/2012	2012/2013
All additional processing (per hour)	\$130.00	\$130.00
Inspection fee (per inspection)	\$130.00	\$130.00
Amendment fee charge per hour	\$155.00	\$180.00
Section 72 - building on land subject to natural hazards	Actual cost	Actual cost
Section 75 - building on two or more allotments	Actual cost	Actual cost
Vehicle crossing construction	Actual cost	Actual cost
Structural checking fee	Actual cost	Actual cost
Water connection/alteration	Actual cost	Actual cost
Sewer/stormwater connection/disconnection	Actual cost	Actual cost
Backflow prevention device	Actual cost	Actual cost
Sanitary sewer TV survey	Actual cost	Actual cost
Stormwater TV survey	Actual cost	Actual cost
<b>SERVICE CONNECTION APPLICATION FEES</b>		
Wastewater	\$31.00	\$36.00
Stormwater	\$31.00	\$36.00
Water	\$82.00	\$89.00
<b>CERTIFICATE FOR PUBLIC USE</b>		
When received with a building consent	\$200.00	\$230.00
When received independently	\$260.00	\$300.00
<b>CERTIFICATE OF ACCEPTANCE</b>		
Works under \$100,000	\$780.00 (deposit plus normal consent fees and levies for DBH)	\$895.00 (deposit plus normal consent fees and levies for DBH)
Works \$100,000 and over	\$2,250.00 (deposit plus normal consent fees and levies for DBH)	\$2,590.00 (deposit plus normal consent fees and levies for DBH)

OTHER FEES	2011/2012	2012/2013
<b>COMPLIANCE SCHEDULE (CS)/BUILDING WARRANT OF FITNESS (WOF)</b>		
Building WOF	\$130.00	\$150.00
Building WOF/CS inspection	\$130.00 per hour	\$150.00 per hour
Amendment to CS	\$55.00	\$63.00
Commercial cable car	\$130.00	\$150.00
Residential cable car	Free of charge	Free of charge
<b>ENVIRONMENTAL SUSTAINABILITY INITIATIVES</b>		
Domestic solar hot water heating panels	Free of charge	Free of charge
Solar water heating systems		
Hot water systems, ie. 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	Free of charge	Free of charge
Eco Design Advisor home assessment (two hours)		
Home star certified assessment		
All additional monitoring inspections (per visit)	\$130.00	\$150.00

**TERMS & LATE PAYMENT**

*Base Fees & Additional Fees*

Base fees must be paid before applications are processed. Further charges will be invoiced if additional time is spent processing requests and/or disbursements.

*Terms of Payment*

Payment of additional consenting, administration, disbursements and consultants fees shall be paid before application is issued. Additional inspections 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
- daily interest (rate of 15% pa) from the date of default.

## 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.

### Property Information

	2011/2012	2012/2013
Property information sent by email	\$10.00 (up to 5mb)	\$15.00 (up to 5mb)
Property information copied to CD	\$15.00 (includes 30 minutes processing) plus \$45.00 per half-hour thereafter	\$20.00 (includes 30 minutes' processing) plus \$45.00 per half-hour thereafter
Property information requested in hard copy	\$10.00 plus \$0.50 per A4 black and white sheet	\$1.00 per A4 black and white sheet
	\$10.00 plus \$1.00 per A4 colour sheet	\$1.50 per A4 colour sheet
	\$10.00 plus \$1.00 per A3 black and white sheet	\$1.50 per A3 black and white sheet
	\$10.00 plus \$2.00 per A3 colour sheet	\$2.50 per A3 colour sheet
A4 colour aerial photo	\$3.00	\$3.50
A3 colour aerial photo	\$7.00	\$7.50
Certificate of Title	\$15.00	\$20.00
Interests/document, eg transfer, easement, covenant, lease	\$15.00	\$20.00

### Land Information Memorandum (LIM)

Residential Property LIM (deposit - includes 3.5 hours' processing time and disbursements)	\$320.00
Commercial property LIM (deposit - includes 3.5 hours' processing time and disbursements)	\$500.00
Additional processing hours over 3.5 hours (per hour)	\$90.00

## ENVIRONMENTAL HEALTH

Premises meeting the required standard by 1 July are eligible for a discount, provided re-registration is applied for by 20 August.

FOOD PREMISES	2012/2013		
	FEE	DISCOUNT FEE	A GRADE
Class One – Fruiterers, pre-packaged only (low risk, pre-packaged)	\$329.00	\$226.00	\$180.00
Class Two – Dairies, service stations (small premises – ready-made foods – some ice cream/pre-wrapped pies), clubs (medium), supply of low-risk food	\$391.00	\$273.00	\$226.00
Class Three – Clubs (large), rest homes (<25), service stations (large), minimarts, canteens (small), supply of medium-risk food	\$481.00	\$334.00	\$278.00
Class Four – Takeaways, eating houses (<40), meat and fish, delicatessens, canteens (large), caterer (small), bakeries, wholesalers (small), rest homes (25-50), supermarkets (medium), supply of high-risk food	\$561.00	\$388.00	\$320.00
Class Five – Eating houses (>40), caterers (large), wholesalers (large), rest homes (>50), supermarkets (large), supply of high-risk food	\$922.00	\$633.00	\$519.00
Travelling Shops - food	\$274.00	\$186.00	-
Food stalls	\$274.00	\$186.00	-
Clubs/canteens (small) – type 16 – no food preparation	\$134.00	\$93.00	\$77.00

OTHER LICENCES	2012/2013		
	FEE	DISCOUNT FEE	A GRADE
Travelling shops – no food	\$130.00	N/A	Set by statute
Hairdressers	\$271.00	\$186.00	N/A
Camping grounds	\$457.00	\$427.00	N/A
Hawkers	\$51.00	N/A	Set by statute
Amusement devices	\$82.00	N/A	Set by statute
Mortuaries	\$338.00	\$231.00	N/A
Offensive trades	\$388.00	\$270.00	N/A

Note: Food premises operating under approved Food Control Plans will continue to be charged according to the listed risk category.

ADDITIONAL CHARGES	2012/2013
One-off food stalls	\$40.00
New premises – establishment fee	\$105.00
Initial registration fee	\$84.00
Transfer registration fee	\$53.00
Additional inspections of registered premises or follow-up visits for non-compliance with Food Control Plan (corrective actions)	\$84.00 per visit
Street musician licence	\$20.00
Amusement devices (per site for seven days)	Set by statute

NOISE CONTROL	2012/2013
Seizure fine (stereo equipment)	\$158.00 and \$1 per day after the 1st month of storage
	\$210.00 for 2nd seizure within a 6-month period
Security alarms – daytime attendances	\$84.00
Security alarms – after hours attendances	\$160.00
Consultancy and survey fee	\$105.00 per hour

## ENVIRONMENTAL POLICY

	2012/2013
<b>Requests for Change to District Plan (deposit)</b>	\$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"> <li>All work undertaken by Council officers in connection with the request for the change shall be charged against the deposit at:</li> </ul>	\$118.00 per hour
<ul style="list-style-type: none"> <li>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.</li> </ul>	
<ul style="list-style-type: none"> <li>Any hearing shall be charged against the deposit at:</li> </ul>	\$1,022.00 per day or part day
<ul style="list-style-type: none"> <li>Hearing Commissioner time shall be recovered for time spent in hearings and deliberating (per hour)</li> </ul>	Council Commissioners: Chair \$85.00 Members \$68.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - \$68.00
<ul style="list-style-type: none"> <li>If the proposed change is notified publicly, advertising charges will be actual costs payable by the applicant.</li> </ul>	
<ul style="list-style-type: none"> <li>All information requested by Council shall be supplied at the applicant's cost.</li> </ul>	
<b>Notice of Requirement and Alterations to Notices of Requirement (deposit)</b>	\$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"> <li>All work undertaken by Council officers in connection with the requirement shall be charged against the deposit at:</li> </ul>	\$118.00 per hour
<ul style="list-style-type: none"> <li>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.</li> </ul>	
<ul style="list-style-type: none"> <li>Any hearing shall be charged against the deposit at:</li> </ul>	\$1,022.00 per day or part day
<ul style="list-style-type: none"> <li>Hearing Commissioner time shall be recovered for time spent in hearings and deliberating (per hour)</li> </ul>	Council Commissioners: Chair \$85.00 Members \$68.00 Independent Commissioners: Chair - Actual cost Member of hearing panel - \$68.00
<ul style="list-style-type: none"> <li>If the requirement is notified publicly, advertising charges will be actual costs payable by the Requiring Authority.</li> </ul>	
<ul style="list-style-type: none"> <li>All information requested by Council shall be supplied at the Requiring Authority's cost.</li> </ul>	

<b>Operative District Plan</b>	
Complete set	\$256.00
Text volume	\$128.00
Map volume	\$128.00

**GAMBLING VENUE AND BOARD VENUE**

Class 4 Gambling Venue and Board Venue applications	\$300.00
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**HALLS**

Community rates for hall hire are set out below.

The commercial rates are set at the community rate, plus 50%, with a separate negotiable charge of up to 10% of the gross revenue of the commercial activity. A charity rate is also available by application.

**Community Halls**

CHARGE PER HOUR	2012/2013			
	ALL FACILITIES MON - FRI	ALL FACILITIES WEEKENDS & HOLIDAYS	MEETING ROOM MON - FRI	MEETING ROOM WEEKENDS & HOLIDAYS
Moera, Eastbourne, Belmont, Stokes Valley	\$15.00	\$20.00	N/A	N/A
Wainuiomata, Taita, Naenae	\$15.00	\$20.00	\$10.00	\$12.00
Hardwick-Smith Lounge	\$10.00	\$15.00	N/A	N/A

**Town Hall and Horticultural Hall**

MONDAY TO FRIDAY	2012/2013				
	MAIN HALL	SUPPER ROOM	KITCHEN & SUPPER ROOM	MAIN HALL & KITCHEN	ALL FACILITIES
8am – 12 noon	\$172.00	\$43.00	\$86.00	\$225.00	\$257.00
12 noon – 2pm	\$86.00	\$38.00	\$54.00	\$124.00	\$155.00
2pm – 6pm	\$172.00	\$43.00	\$86.00	\$225.00	\$257.00
6pm – 11pm	\$193.00	\$54.00	\$128.00	\$257.00	\$306.00
8am – 6pm	\$290.00	\$91.00	\$172.00	\$376.00	\$456.00
2pm – 11pm	\$290.00	\$91.00	\$172.00	\$376.00	\$456.00
8am – 11pm	\$376.00	\$129.00	\$257.00	\$510.00	\$628.00
After 11pm	\$76.00	\$76.00	\$76.00	\$76.00	\$76.00

WEEKENDS & PUBLIC HOLIDAYS	2012/2013				
	MAIN HALL	SUPPER ROOM	KITCHEN & SUPPER ROOM	MAIN HALL & KITCHEN	ALL FACILITIES
8am – 12 noon	\$242.00	\$76.00	\$124.00	\$290.00	\$349.00
12 noon – 2pm	\$124.00	\$48.00	\$97.00	\$172.00	\$204.00
2pm – 6pm	\$242.00	\$76.00	\$124.00	\$290.00	\$349.00
6pm – 11pm	\$274.00	\$97.00	\$183.00	\$359.00	\$440.00
8am – 6pm	\$414.00	\$124.00	\$242.00	\$526.00	\$644.00
2pm – 11pm	\$414.00	\$124.00	\$242.00	\$526.00	\$644.00
8am – 11pm	\$526.00	\$183.00	\$359.00	\$697.00	\$864.00
After 11pm	\$107.00	\$107.00	\$107.00	\$107.00	\$107.00

**LANDFILLS (ALL CHARGES INCLUDE A GOVERNMENT WASTE LEVY)**

	2012/2013
<b>Domestic Vehicles (Cash Only)</b>	
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)	\$30.00
Note: Combinations of vehicles (vans, utilities, small trucks) and trailers will cost the sum of their respective charges.	
<b>All Other Vehicles (Per Tonne)</b>	\$110.00
Minimum charge	\$55.00
<b>Special burials</b>	\$150.00
Minimum charge	\$75.00
<b>Potentially Hazardous Wastes</b>	
By negotiation, refer to the 'Hutt City Landfill – Waste Disposal Guide'	
<b>Car bodies (per tonne)</b>	\$110.00
<b>Tyres</b>	
Disposal of more than four tyres (per tonne) regardless of vehicle type	\$320.00
Minimum charge	\$160.00
Note: All charges include Ministry for the Environment levy of \$10 + GST per tonne.	
<b>Refuse Bags Including Government Levy</b>	
Plastic bags – packet of 5	\$12.50
Plastic bags – packet of 10	\$25.00
Plastic bags – packet of 50	\$125.00



**LIBRARIES**

	2012/2013
Interloans (non-urgent) per request	\$15.00
Interloans (urgent)	At cost
Lost items	Current retail price plus a \$15.00 contribution to the cost of replacing the item
Rental collections	Vary according to format to a maximum of \$10.00 per item
Overdue charges	\$0.50 per day for all formats
Borrower’s card replacement (per card)	\$5.00
Internet access and computer use	\$1.00 per half-hour

**LITTERING INFRINGEMENT FEES**

	2012/2013
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: 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).

Note: For cigarette butt littering, this is a two step enforcement process.

First step: Educate/warning – offender advised this is not acceptable.

Second step: If a person is found depositing cigarette butt litter having already been warned, an infringement fee of \$100.00 will be issued.

	2012/2013
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: single used disposable nappy or nappies; small dumping (eg shopping bags) – domestic/commercial waste in, or by, public litter bins; small dumping in or by commercial waste bins/clothing bins/recycling stations; persistent use of unofficial (non-Council) refuse bags; and small insecure load from truck or trailer.

Note: Small dumping is defined as up to four shopping bags or two refuse bags or single items. Small insecure load is defined as paper, a single item, grass clippings and dust that has come off a truck or trailer.

	2012/2013
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: household waste; commercial waste; green waste; car parts; and any other litter as defined in the Litter Act 1997 not defined as minor or medium littering above.

Note: 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**

	2012/2013
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:	
<ul style="list-style-type: none"> <li>Charge per additional half-hour or part thereof including search, retrieval, provision of information and supervision</li> </ul>	\$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:	
<ul style="list-style-type: none"> <li>Producing a document by computer or other like equipment</li> <li>Reproducing a photograph, film, video or audio recording</li> <li>Arranging for the applicant to hear or view an audio or visual recording</li> <li>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</li> <li>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.</li> </ul>	
e) A charge may be modified or waived at the discretion of a General Manager 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"> <li>Information that is not where it ought to be</li> <li>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).</li> </ul>	
g) Charges shall be paid in advance of receipt of information.	

## PARKING

Council operates Pay & Display metered parking in the CBD of Lower Hutt.

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 five tariff tiers HC1 to HC5.

A small number of **P15** 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 Red HC1 and Green HC2 parking zones.

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

### Hours of Meter Operation

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

### Tariff Structure

Premium (Red HC1) Zone	\$2.00 per hour increasing to \$3.00 per hour for the 2nd hour Two-hour maximum parking duration Monday to Friday 9am to 5pm Saturday P120 (no charge) Sunday and public holidays unrestricted
Shoppers (Green HC2) Zone (including Dowse car park)	\$1.50 per hour Two-hour maximum parking duration Monday to Friday 9am to 5pm Saturday P120 (no charge) Sunday and public holidays unrestricted
Shoppers (Green HC2) Zone - Pavilion car park	\$1.50 per hour Four-hour maximum parking duration Monday to Friday 9am to 5pm Saturday, 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
Riverbank car park (Yellow HC4) Zone	\$0.70 cents per hour \$4.00 maximum daily charge A monthly pass is available at \$62.00 per month (reduced to \$46.00 for December and January) No daily maximum parking duration Monday to Friday 9am to 5pm Saturday, Sunday and public holidays unrestricted

## Other Charges

Council Pay & Display machines support alternative payments from mobile telephone, text or credit cards. A \$0.50 cent per transaction fee applies.

Council supports the use of SmartPark in-car meters. Hutt City Council SmartPark stored value cards are available at Council reception. A \$5.00 application fee applies. \$50.00 and \$100.00 denominations are available.

Reserved spaces - \$15.00 per day for short-term applications.

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.

### Red Premium HC1 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

### Green Shopper HC2 Zone

- 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
- Pavilion car park (four-hour maximum parking duration)
- Dowse car park
- Laings Road – Queens Drive to Myrtle Street

**Yellow Commuter HC3 Zone**

- Fountain 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

**Yellow Riverbank HC4 Zone**

- Riverbank car park
- Myrtle Street – west side only, Laings Road to Huia Street

**Residents’ Parking Schemes**

Council does not currently support any Residents’ Parking Scheme.

**Penalties**

Council sets the penalties in accordance with the maximum permitted in the Transport Act 1962.

**Metered Parking**

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**

	2012/2013
Replacement recycling containers	\$10.00

**ROADING**

Subdivision Inspection and Approval Charges

	2012/2013
Boundary adjustment	\$132.30
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.	\$132.30

	2012/2013	
	STANDARD FEE	ADMIN/ INSPECTION
<b>MOTOR CROSSING CHARGES</b>		
Concrete dished crossing per square metre	\$130.00	\$72.00
Extensions to existing concrete crossings per square metre	\$130.00	\$72.00
Installation of concrete dished crossing in conjunction with road reconstruction work per square metre	\$65.00	\$72.00
Concrete block crossing/pipe crossing/‘slot’ type crossing per square metre	\$130.00	\$72.00
Deposit for privately installed crossing (\$200.00 refunded upon satisfactory completion of crossing)	\$272.00	

## Road Corridor Management - Cost Recovery

PROPOSALS, ADMINISTRATION AND MONITORING ON TIME BASIS:	2012/2013
Engineer (per hour)	\$118.00
Inspector (per hour)	\$102.00

## 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	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	2012/2013
Events and commercial operators	By quotation
Picnic bookings (30 or more people)	\$50.00
Filming per hour	\$150.00
Marquees for picnics/promotions - small	\$100.00
- up to 50m <sup>2</sup>	\$200.00
- up to 100m <sup>2</sup>	\$400.00
- larger	\$600.00
Weddings	\$100.00
Hire of rooms, social facilities, training fields etc.	By quotation
No. 1 field at Hutt Recreation Ground	\$650.00

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

## STADIA

WALTER NASH STADIUM	2012/2013
One court (per hour)	\$75.00
Two courts (per hour)	\$127.00
Function room (per hour)	\$23.00

Note: These are maximum charges.

These charges include:

- All permanent seating
- Set-up of courts (ie hoops)
- Clocks/Scoreboards
- Changing rooms and showers

## STORMWATER

	2011/2012	2012/2013
Stormwater connection fee (see Environmental Consents introductory text on page 182)	\$31.00	\$36.00

## SWIMMING POOLS

	2012/2013
<b>Casual Rates</b>	
Adult	\$4.50
Child	\$3.00
Over 65s	\$3.00
Spectator (non-supervising adult)	\$1.50
Family pass (two adults/four children)	\$12.50
<b>Concession Rates</b>	
Adult 10 swim	\$39.50
Adult 30 swim	\$96.60
Child 10 swim	\$26.10
Child 30 swim	\$64.50
Over 65s 10 swim	\$26.10
Over 65s 30 swim	\$64.50
<b>Pool Hire</b>	
Regular hire (25 metres per hour)	\$60.00
Casual hire (25 metres per hour)	\$87.00
Regular hire (50 metres per hour) – Naenae and Wainuiomata Pools	\$125.00
Casual hire (50 metres per hour) – Naenae and Wainuiomata Pools	\$184.00
Lane charge (25 metres per hour)	\$18.00
<b>School Groups</b>	
Group hire for lessons (per head)	\$1.00
<b>Meeting Rooms</b>	
Casual hire (per hour)	\$20.00

**WASTEWATER**

	2011/2012	2012/2013
Wastewater connection fee (see Environmental Consents introductory text on page 182)	\$31.00	\$36.00

TRADE WASTE CLASS	2012/2013	
	CONSENT FEES	CONSENT + \$240 IF CONDITIONAL CONSENT REQUIRED
Class 1: High Risk	\$1,640.00	\$1,880.00
Class 2: Moderate Risk	\$825.00	\$1,065.00
Class 3: Low Risk	\$420.00	\$660.00
Class 4: Minimal Risk	\$170.00	\$410.00
Class 5: Minimal Risk Low Flow	\$85.00	N/A
Application fee	\$85.00	
Re-inspection fee	\$85.00	
Late payment additional fee	\$85.00	

**Trade Waste User Charges**

	2012/2013
Flow (per cubic metre)	\$0.453 per cubic metre
Total suspended solids	\$0.749 per kilogram
COD (chemical oxygen demand)	\$0.288 per kilogram

**WATER**

	2011/2012	2012/2013
Upper Belmont Development Levy (per lot)		\$6,363.00
Water connection fee (see Environmental Consents introductory text on page 182)	\$82.00	\$89.00
Fee for use of water by builders on unmetered industrial and commercial sites		\$70.00
<i>Charge for ordinary supply Class 2 Water</i>		
Minimum charge		Uniform Annual Charge
Domestic water meter rental		\$65.00
<i>Normal users per cubic metre</i>		
Up to 100,000 cubic metres		\$1.66
In excess of 100,000 cubic metres		\$1.19
<i>Water supplied by hydrant</i>		
Per cubic metre		\$1.66
Minimum charge		\$29.00
Back flow prevention – annual inspection charge		\$160.00

# DEFINITIONS

These definitions are intended to define terms used in this Long Term 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 Hutt City, 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 Committees**

Local committees set up by Council. Community committees are consulted by Council and can represent community concerns to Council. Following the October 2010 election Council established four community committees covering the Central, Western, Northern and Eastern wards.

## **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 Hutt City 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 with the mana of the land.

## **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**

A Trust established in August 2008 to receive and manage the settlement package for Taranaki Whanui ki Te Upoko o Te Ika who can whakapapa to Wellington at 1840.

### **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 17 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 Managing Services 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 Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui**

A representative Maori Council made up from 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 Tenths Trust**

Local tangata whenua with inherited land ownership in Wellington and Hutt Valley and kinship to Northern Taranaki Te Atiawa.

# CONTACT DETAILS

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Email: [contact@huttcity.govt.nz](mailto:contact@huttcity.govt.nz)  
Website: [www.huttcity.govt.nz](http://www.huttcity.govt.nz)

## War Memorial Library

Address: Cnr Queens Drive & Woburn Road  
Lower Hutt  
Telephone: 570 6633

## Eastbourne Community Library

Address: Rimu Street  
Eastbourne

## Moera Community Library

Address: Cnr Randwick Road & Randwick Crescent  
Moera  
Telephone: 568 4720

## Naenae Community Library

Address: Hillary Court  
Naenae  
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## Petone Community Library

Address: Britannia Street  
Petone  
Telephone: 568 6253

## Stokes Valley Community Library

Address: Scott Court  
Stokes Valley  
Telephone: 562 9050

## Taita Community Library

Address: Taine Street  
Taita  
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## Wainuiomata Community Library

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## MAYOR AND COUNCILLORS



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## STRATEGIC LEADERSHIP TEAM

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Matt Reid	General Manager Community Services	570 6878	matt.reid@huttcity.govt.nz
Kim Kelly	General Manager Strategic Services	570 6949	kim.kelly@huttcity.govt.nz
Bruce Sherlock	General Manager City Infrastructure	570 6833	bruce.sherlock@huttcity.govt.nz

# INDEPENDENT AUDITOR'S REPORT

## To the readers of Hutt City Council's Long Term Plan for the ten years commencing 1 July 2012

The Auditor-General is the auditor of Hutt City Council (the City Council). The Auditor General has appointed me, John O'Connell, using the staff and resources of Audit New Zealand, to report on the Long Term Plan (LTP) on her behalf. We have audited the Council's LTP dated 28 June 2012 for the ten years commencing 1 July 2012.

The Auditor-General is required by section 94(1) of the Local Government Act 2002 (the Act) to report on:

- the extent to which the LTP complies with the requirements of the Act; and
- the quality of information and assumptions underlying the forecast information provided in the LTP.

## OPINION

### Overall Opinion

**In our opinion the Council's LTP dated 28 June 2012 provides a reasonable basis for long term integrated decision-making by the Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of the Council.**

In forming our overall opinion, we considered the specific matters outlined in section 94(1) of the Act which we report on as follows.

### Opinion on Specific Matters Required by the Act

#### In our view:

- **the Council has complied with the requirements of the Act in all material respects demonstrating good practice for a council of its size and scale within the context of its environment; and**
- **the underlying information and assumptions used to prepare the LTP provide a reasonable and supportable basis for the preparation of the forecast information.**

## AUDIT NEW ZEALAND

Mana Arotake Aotearoa

Actual results are likely to be different from the forecast information since anticipated events frequently do not occur as expected and the variation may be material. Accordingly, we express no opinion as to whether the forecasts will be achieved.

Our report was completed on 28 June 2012. This is the date at which our opinion is expressed.

The basis of the opinion is explained below. In addition, we outline the responsibilities of the Council and the Auditor, and explain our independence.

## BASIS OF OPINION

We carried out the audit in accordance with the International Standard on Assurance Engagements (New Zealand) 3000: Assurance Engagements Other Than Audits or Reviews of Historical Financial Information and the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: The Examination of Prospective Financial Information.

Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTP does not contain material misstatements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves performing procedures to obtain audit evidence about the forecast information and disclosures in the LTP. The procedures selected depend on our judgement, including the assessment of risks of material misstatement of the information in the LTP. In making those risk assessments we consider internal control relevant to the preparation of the Council's LTP. We consider internal control in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

Our audit procedures also include assessing whether:

- the LTP provides the community with sufficient and balanced information about the strategic and other key issues, choices and implications it faces and provides for participation by the public in decision-making processes;
- the Council's financial strategy, supported by financial policies is financially prudent, and has been clearly communicated to the community in the LTP;
- the presentation of the LTP complies with the legislative requirements of the Act;
- the decision-making and consultation processes underlying the development of the LTP are compliant with the decision-making and consultation requirements of the Act;
- the information in the LTP is based on materially complete and reliable asset or activity information;
- the agreed levels of service are fairly reflected throughout the LTP;

- the Council's key plans and policies have been consistently applied in the development of the forecast information;
- the assumptions set out within the LTP are based on best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast information has been properly prepared on the basis of the underlying information and the assumptions adopted and the financial information complies with generally accepted accounting practice in New Zealand;
- the rationale for the activities is clearly presented;
- the levels of service and performance measures are reasonable estimates and reflect the key aspects of the Council's service delivery and performance; and
- the relationship of the levels of service, performance measures and forecast financial information has been adequately explained within the LTP.

We do not guarantee complete accuracy of the information in the LTP. Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTP and determining compliance with the requirements of the Act. We evaluated the overall adequacy of the presentation of information. We obtained all the information and explanations we required to support our opinion above.

### RESPONSIBILITIES OF THE COUNCIL

The Council is responsible for preparing an LTP under the Act, by applying the Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The Council is also responsible for such internal control as it determines is necessary to enable the preparation of an LTP that is free from material misstatement.

The Council's responsibilities arise from section 93 of the Act.

### RESPONSIBILITIES OF THE AUDITOR

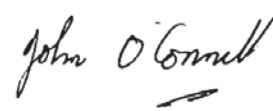
We are responsible for expressing an independent opinion on the LTP and reporting that opinion to you based on our audit. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

It is not our responsibility to express an opinion on the merits of any policy content within the LTP.

### INDEPENDENCE

When reporting on the LTP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board.

Other than this report and in conducting the audit of the LTP Statement of Proposal and the annual audit, we have no relationship with or interests in the Council or any of its subsidiaries.



John O'Connell  
Audit New Zealand

On behalf of the Auditor-General  
Wellington, New Zealand