

*We live, work and play in Hutt City.  
We care about the future of our children, our family,  
and our community, and we want to know that  
Hutt City is a place of the future.*

# HUTT CITY COUNCIL LONG TERM COUNCIL COMMUNITY PLAN CONTENTS



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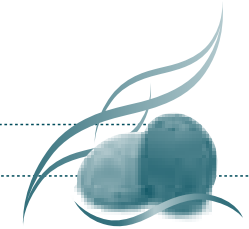
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# *Introduction*







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Telephone: (04) 570 6666

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#### Eastbourne Community Library

Address: Rimu Street,  
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Telephone: (04) 562 8042

#### Naenae Community Library

Address: Hillary Court,  
Naenae

Telephone: (04) 567 2859

#### Petone Community Library

Address: Britannia Street,  
Petone

Telephone: (04) 568 6253

#### Stokes Valley Community Library

Address: Scott Court,  
Stokes Valley

Telephone: (04) 562 9050

#### Wainuiomata Community Library

Address: Queen Street,  
Wainuiomata

Telephone: (04) 564 5822

#### Moera Community Library

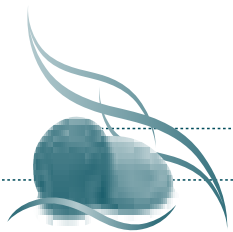
Address: Cnr Randwick Road &  
Randwick Crescent,  
Moera

Telephone: (04) 568 4720

#### Taita Community Library

Address: Taine Street,  
Taita

Telephone: (04) 567 2767



# Vision for Hutt City

*A great place to live, work and play.*

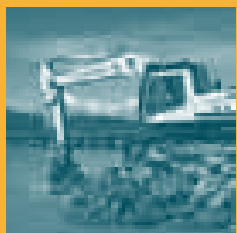
The Community Plan 2006–2016 provides direction for Council's plans, policies and strategies and gives a long term focus to all Council's activities.

**The Community Plan has five key areas:**



## PEOPLE

- Libraries
- Museums
- Aquatics and Recreation
- Parks and Reserves
- Community Support
- Community Property



## UTILITY SERVICES

- Roading and Traffic
- Water Supply
- Wastewater
- Stormwater
- Solid Waste



## ENVIRONMENT

- Environmental Management
- Emergency Management



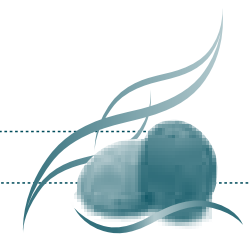
## ECONOMY

- Local Urban Design
- Economic Development



## ORGANISATION

- Elected Members
- Advice and Support
- Managing Services



# Welcome

## TO HUTT CITY COUNCIL'S LONG TERM COUNCIL COMMUNITY PLAN 2006-2016.

Long Term Council Community Plan 2006-2016 is a cumbersome term, so from now on we will call this the Community Plan.

### WHAT IS A COMMUNITY PLAN?

As the name suggests, a Community Plan is a document put together by the community and Council that sets the strategic direction for the city over the next 10 years. The diagram on this page shows the major components of the Community Plan and highlights the links between Community Outcomes, Council's strategies and the three-year work plan together with a partnership approach to achieving the Community Outcomes.

The Outcomes identified by the community indicate how the city should grow socially, culturally, economically and environmentally. The end result is an all-encompassing document that outlines the community's expectations and shows how Council, with the help of the community and other organisations, will work together to achieve these.

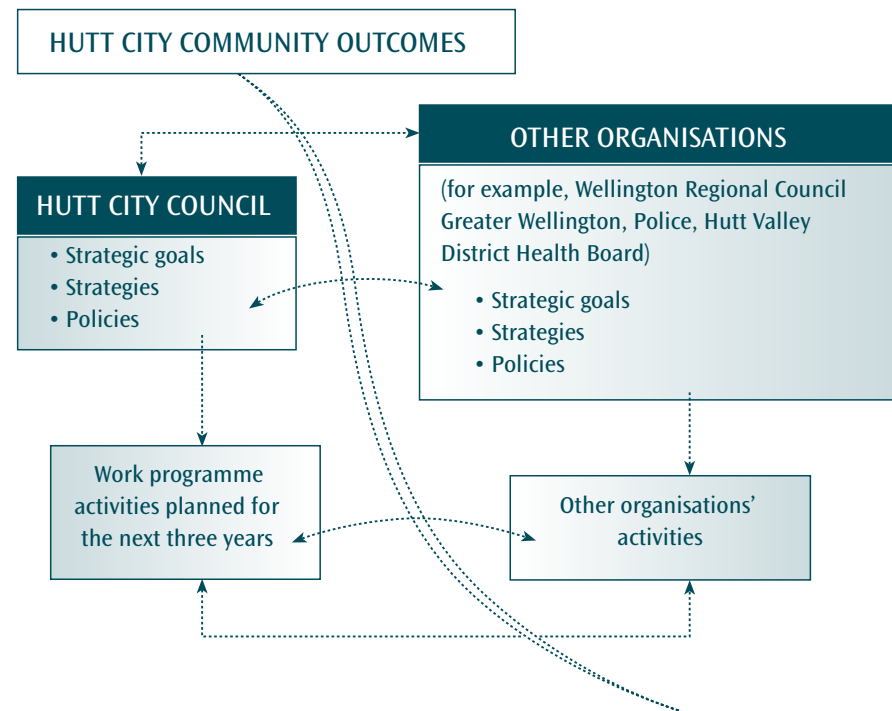
Under the Local Government Act 2002, Hutt City Council is required to produce, once every three years, a Community Plan covering the next 10 years. The first Community Plan was produced in 2003. However, Hutt Council will prepare a Community Plan every year that will provide an update on how the city is progressing and include any changes that may occur along the way.

The Community Plan must be reviewed and evaluated once every three years, and the Community Outcomes contained within the document reviewed and evaluated once every six years to ensure that Council is on track. A summary document outlining progress will be distributed annually to residents, as part of the planning process.

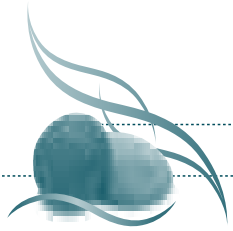
### THE DOCUMENT YOU ARE READING IS THE COMMUNITY PLAN

The Community Plan sets out the direction the city will take over the next 10 years.

It is important to understand that the Community Plan is not something made up by Council. It reflects what Hutt City residents and ratepayers have told Council about what they want for the city now and in the future. To find out more about how Council gathered input for the Draft Community Plan see page 12.







## WHAT IS INCLUDED IN THIS COMMUNITY PLAN?

### KEY MESSAGES FROM THE COMMUNITY PLAN

Hutt City Council produces a Community Plan each year, unlike other councils which generally produce one every three years. This means that each year we consult with the community about our ten-year programme.

The key messages from the Community Plan for the period 2006-2016 are:

- This is a 'business as usual' ten-year plan except for provision of \$25 million for major future infrastructure, as discussed below
- Average rates increase will be kept below the rate of inflation and there will be a significant reduction in debt over this period
- The increased spend in the stormwater activity that was established in the 2005-2015 Community Plan remains
- The only other major projects added since the 2005-2015 Community Plan are Hutt Park Development and construction of a Health and Fitness suite at Naenae pool.

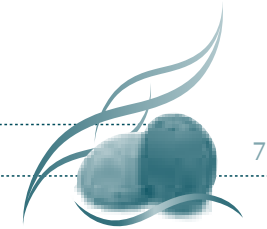
### INFRASTRUCTURE PROVISION

Council has provisionally earmarked \$25 million to cover a number of future roading and drainage development projects which are seen as desirable, but for which at this stage we cannot predict likely construction timing or budget. While provisions have been included in 2014/15 for stormwater and 2015/16 for roading there can be no commitment on any specific projects. These works are intended to be funded in part by debt and part by revenue from property sales but in outline projects could include:

#### Roading

An eastern ring road to reduce congestion within the Central Business District, investigation and other works for a link road from Gracefield to Grenada including investigation/design/concept and construction of a Valley Floor Connector and subsequent upgrade of The Esplanade, designed to limit heavy traffic and promote the amenity value of the foreshore.



**Drainage**

Major flood protection works will be required for the Awamutu Stream and for the Waiwhetu Stream in conjunction with the Wellington Regional Council. Once existing work on Black Creek, Wainuiomata is complete an assessment will be undertaken to determine the efficacy of further upgrades on that project.

**Other information included**

Pursuant to clause 3 of schedule 10 of the Local Government Act 2002, this Community Plan includes the Summaries of the Hutt City Council 2005 Water and Sanitary Services Assessments on pages 141 to 160.

The Wellington Regional Growth Strategy is a discussion document that has a high level set of Community Outcomes for the Wellington region. Hutt City consulted with the community in November 2005 and again as part of the Draft Community Plan consultation to find out what these Regional Outcomes mean for Hutt City. The alignment of the Hutt City Outcomes to the Wellington Regional Outcomes is included in the Community Plan on page 12 onwards.

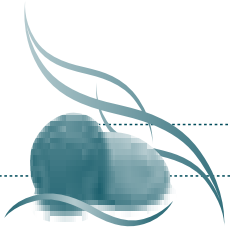
The Land Transport Management Act provides for local authorities to use Long Term Council Community Plan to consult on their Land Transport Programme as substitutes to separately preparing and consulting on the programme. Hutt City's Land Transport Programme is being consulted on in accordance with schedule 2 of the Land Transport Management Act 2003; the programme is listed on pages 90 and 91.

Council is required by the Local Government Act 2002 to provide a statement of intended levels of service provision for its groups of activities. The performance measures have been reviewed and some changes have been made. See from page 65 onwards under each Activity.

Pursuant to clause 6 of schedule 10 of the Local Government Act 2002, Council must include funding and financial policies of the local authority. The Development Contribution Policy has been reviewed and amended.

Pursuant to clause 6 of schedule 10 of the Local Government Act 2002, Council is required to have a Revenue and Financing Policy. A review of this policy has been undertaken and amendments made.

Pursuant to clause 3 (1) (b) schedule 10 of the Local Government Act 2002, this Community Plan includes the Summary of the 2004 Waste Management Plan refer to pages 161 and 162.



## FROM THE MAYOR



Welcome to the Hutt City Council's 2006-2016 Long Term Council Community Plan (LTCCP). This document sets out the council's spending plans and priorities over the next ten years, which shape the future direction of our city.

I was delighted with the public response to the Draft LTCCP. Nearly a thousand submissions were made, with more than fifty being presented to council in person. The quality of the submissions was very high and contributed to what I believe is a first-class LTCCP the city can be proud of.

This year's LTCCP reflects a city moving ahead with confidence. Highlights include:

- Average rate increases to be held to below the rate of inflation. We are among the lowest in the country at 3.9 percent
- Council debt forecast to be reduced
- Continuing to invest significantly more on key infrastructure, in particular a provision of \$25 million has been made for storm water protection and road projects in later years.

The council has listened to the public's views. We have responded to calls to put the city's finances in order so that we can better plan for the future.

The LTCCP follows the wave of success Hutt City has enjoyed over the past twelve months. During this time 1,787 new jobs were created, 145 new businesses opened, crime dropped 8.6 percent and GDP grew by 4.1 percent.

These figures send a strong message to families that our city is a great place to live. It likewise sends an equally strong signal to business that our city is a great place to invest.

I'm enormously proud of what our Councillors have achieved over a short space of time. It's a harmonious council committed to the task of making Hutt City an even better place to live and work.

The city is well served by having some of the best council officers and staff in the country and I want to acknowledge and thank them for their diligence and hard work.

Looking ahead, good urban design and a review of the various zonings for the city will be a priority for the Council.

The next ten years promise to be an exciting time for Hutt City. This LTCCP charts the many positive things still to come which will benefit residents well into the future.

I commend this Community Plan to your attention.

**David Ogden**  
Mayor  
Hutt City Council



## FROM THE CEO

Once again, I am pleased to present the Hutt City Council's Long Term Community Plan.

The Community Plan, by definition, is a long term document, which forces us to relate and integrate projects that would otherwise be argued and considered in isolation. It focuses us on what is best for the next generation. It gives us the means and tools to realise a vision for the future.

Flood protection has been an immediate priority for Council spending. HCC – often in conjunction with the Greater Wellington Regional Council – is completing the first stages of a range of vital floodworks in various parts of the city, from Alicetown to Black Creek in Wainuiomata.

Our staff has studied the submissions made this year on the Community Plan with a great deal of care. Likewise, Councillors have taken note of what submitters have told us, most in writing, with also a number reinforcing and clarifying what they want by making an oral submission to Council.

It is impossible within our resources to reply to each of the nearly 1000 submitters in great detail. No two submissions are the same. But please be assured that individual suggestions are taken note of and considered, as is the weight of numbers expressing community concerns about particular issues, such as litter and urban design.

The city's economic performance has turned around, as the Mayor has also highlighted. It is imperative that we continue to realise this potential and support and sustain this development.

We possess, within the Hutt Valley, a mix of flat land, established industry and intellectual resources. This combination is unmatched in this region.

Against these natural and created advantages, there is a growing and overt competitive environment for skills and investment. This competition is within the greater Wellington region, throughout New Zealand and is also from overseas. Fortunately, as the Greater Wellington Regional Strategy develops, region wide integration will mitigate previous intra regional competition.

Those who come here, and those who choose to stay, will do so because they believe the roading and communications infrastructure is modern and reliable and the local body regulatory environment is transparent and friendly.

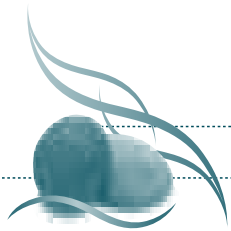
They will also choose the Hutt Valley because it will provide for their employees. It is easier to entice skilled workers to a location that has a range of recreational opportunities, is safe, and has good schools throughout.

However, above all, good facilities and efficient services, delivered at minimal cost, are what existing ratepayers expect and deserve from their Council.

I urge you to take the time to read through this document. The decisions taken by local government have a huge impact on everyone's daily lives.



**Rik Hart**  
**Chief Executive Officer**  
**Hutt City Council**



## AUDITOR'S REPORT

### REPORT TO THE READERS OF HUTT CITY COUNCIL'S LONG-TERM COUNCIL COMMUNITY PLAN FOR THE TEN YEARS COMMENCING 1 JULY 2006

The Auditor-General is the auditor of the 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 Council Community Plan (LTCCP), on his behalf.

The purpose of an LTCCP, as set out in section 93(6) of the Local Government Act 2002 (the Act), is to:

- describe the activities of the local authority;
- describe the community outcomes of the local authority's district or region;
- provide integrated decision making and co-ordination of the resources of the local authority;
- provide a long term focus for the decisions and activities of the local authority;
- provide a basis for accountability of the local authority to the community; and
- provide an opportunity for participation by the public in decision making processes on activities to be undertaken by the local authority.

### OPINION

#### Overall Opinion

In our opinion the LTCCP of the City Council incorporating volumes one and two dated 29 June 2006 provides a reasonable basis for long term integrated decision-making by the City Council and for participation in decision-making by the public and subsequent accountability to the community about the activities of City Council.

It is not our responsibility to express an opinion on the merits of any policy content within the LTCCP.

In forming our overall opinion, we considered our opinion on specific matters required by the Act, which is set out below.

#### Opinion on Specific Matters Required by the Act

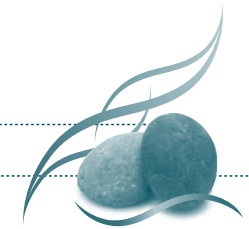
The Auditor-General is required by section 94(1) of the Act to report on:

- the extent to which the LTCCP complies with the requirements of the Act;
- the quality of information and assumptions underlying the forecast information provided in the LTCCP; and
- the extent to which the forecast information and performance measures will provide an appropriate framework for the meaningful assessment of the actual levels of service provision.

In terms of our obligation to report on the matters outlined in section 94(1) of the Act, in our opinion:

- the City 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;
- the underlying information used to prepare the LTCCP provides a reasonable basis for the preparation of the forecast information;
- the assumptions set out within the LTCCP are based on best information currently available to the City 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 is presented in accordance with generally accepted accounting practice in New Zealand;
- the extent to which the forecast information and performance measures provide an appropriate framework for the meaningful assessment of the actual levels of service provision reflects good practice for a Council of its size and scale within the context of its environment.

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 29 June 2006, and 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 City 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 3000 (revised): *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information* and the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards. We have examined the forecast financial information in accordance with the International Standard on Assurance Engagements 3400: *The Examination of Prospective Financial Information*.

We planned and performed our audit to obtain all the information and explanations we considered necessary to obtain reasonable assurance that the LTCCP does not contain material misstatements, and provides a reasonable basis for long term integrated decision-making by the public and the City Council about the activities of the City Council, and for subsequent accountability to the community about the activities of the City Council.

Our procedures included examining on a test basis, evidence supporting assumptions, amounts and other disclosures in the LTCCP, determining compliance with the requirements of the Act, and evaluating the overall adequacy of the presentation of information.

We obtained all the information and explanations we required to support the opinion above.

#### **RESPONSIBILITIES OF THE COUNCIL AND THE AUDITOR**

The City Council is responsible for preparing a LTCCP under the Act, by applying the City Council's assumptions and presenting the financial information in accordance with generally accepted accounting practice in New Zealand. The City Council's responsibilities arise from Section 93 of the Act.

We are responsible for expressing an independent opinion on the LTCCP and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and section 94(1) of the Act.

#### **INDEPENDENCE**

When reporting on the LTCCP we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than this report and in conducting the annual audit, we have no relationship with or interests in the City Council.

**John O'Connell**  
**Audit New Zealand**

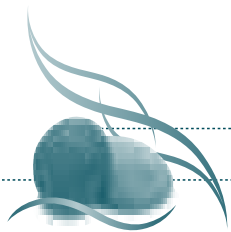
On behalf of the Auditor-General  
Wellington, New Zealand

**MATTERS RELATING TO THE ELECTRONIC PRESENTATION OF THE REPORT TO THE READERS OF THE LONG-TERM COUNCIL COMMUNITY PLAN**

This report relates to the Long Term Council Community Plan (the LTCCP) of Hutt City Council (the City Council) for the ten years commencing 1 July 2006 included on the City Council's web-site. The Council is responsible for the maintenance and integrity of the City Council's web site. We have not been engaged to report on the integrity of the City Council's web site. We accept no responsibility for any changes that may have occurred to the LTCCP since it was initially presented on the web site.

The report refers only to the LTCCP named above. It does not provide an opinion on any other information which may have been hyperlinked to/from the LTCCP. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the LTCCP incorporating volumes 1 and 2 approved on 29 June 2006 and the related audit report dated 29 June 2006 to confirm the information included in the LTCCP presented on this web site.

The preparation and dissemination of the LTCCP is governed by New Zealand legislation.



## PLANNING FOR OUR COMMUNITY TOGETHER

### WHAT IS A COMMUNITY OUTCOME?

In this section you will find reference to two levels of outcomes, Wellington Regional Outcomes and Hutt City Outcomes.

- Wellington Regional Outcomes – Hutt City Council has been working with other Councils and organisations in the Wellington region on a Wellington Regional Strategy, a 50-year growth strategy for the region (see pages 36 and 37 for more information on this). As part of this work a set of Wellington Regional Outcomes have been developed. These are identified in the tables that start on page 15 (Community Outcomes for 2006-2016).
- Hutt City Outcomes – these are the specific Outcomes that Hutt City residents have decided are a priority for the social, economic, environmental and cultural well-being of the community – now and into the future (refer to page 15 onwards Community Outcomes for 2006-2016).

### How were the draft Community Outcomes for 2006-2016 decided?

Hutt City's draft Community Outcomes were identified as part of the 2003 Community Plan process and have subsequently been updated to take into account regional outcomes developed as part of work on the Wellington Regional Strategy.

The set of Community Outcomes in this document are based on discussions and consultation we have undertaken with the community and interested organisations and groups within Hutt City as follows:

#### *In 2002 at the beginning of the process*

- Comprehensive research was carried out in 2002 in response to Hutt City's first Long Term Council Community Plan. This included discussion with residents and special interest groups. This approach gave members of the community an opportunity to talk about the Outcomes and priorities in depth, and then provide detailed feedback.
- At this time Council also included a questionnaire in its monthly Hutt News supplement "Hutt on the Edge". This asked residents to rank the Outcomes they considered the most important.
- The key emphasis for the initial set of Community Outcomes was on clean air, water and land; access to education, health, housing and community facilities; a safe and friendly place; a thriving economy; a diverse natural environment; an attractive built environment.

#### *An update in 2005*

- In 2005 it was decided to align the Hutt City Outcomes to the Wellington Regional Outcomes to provide the community with a view on how what Hutt City wanted to achieve fitted with the long term direction and Outcomes for the whole region.
- At the same time it was decided to take the opportunity to update the Hutt City Outcomes and the following process was followed:
  - External organisations (eg, ACC, Housing NZ, Hutt Valley District Health Board (HVDHB), Work and Income) were asked for any information or research they had from Hutt City residents in terms of outcomes they had asked for (for instance in previous surveys these organisations may have undertaken)
  - Hutt City Council staff were asked for any information they had from research, resident or business opinion etc on Outcomes the respondents had wanted achieved (for instance from previous surveys)
  - In November 2005 a two-page advertisement was placed in the Hutt News identifying the Wellington Regional Outcomes and asking people to identify the extent to which they thought each was important or not and to provide specific Hutt City Outcomes they wanted achieved related to each Regional Outcome.
- All the information collected including that consulted on in the Draft Community Plan has been incorporated into the final set of Community Outcomes and can be found starting on page 15.





**What is the relationship between Council’s Vision for Hutt City, the Outcomes and what Council wants to achieve.**

See page 4 for an explanation of Council’s vision for Hutt City. The diagram on the next page shows how the vision and Community Outcomes relate to each other. Then in the tables that begin on page 15 “Community Outcomes for 2006-2016” we have identified for each Outcome:

- The objective(s) Hutt City Council has – What Council wants to achieve to assist in meeting the Outcomes
- The strategies Hutt City Council will use – How we will achieve our objectives
- The tactics Hutt City Council has – The programmes and projects to be undertaken by the Council to contribute to the achievement of each Outcome.

**What happens with Community Outcomes once they are developed?**

Council is not solely responsible for the delivery of the Community Outcomes. Rather, it will work with the community, key organisations and stakeholders to achieve the Community Outcomes together. Council’s role will therefore vary, depending on the specific outcome and the activities involved.

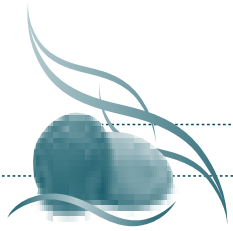
The tables that begin on the following pages provide some information on how we have worked in the past with other organisations to achieve Community Outcomes. In the future Council will continue to work with many local and regional organisations, central and other local government and the private sector to achieve these outcomes.

*In particular, the process will involve the following:*

- For each of the key Community Outcomes identifying/confirming the key to organisations, groups, people from the private sector and any other interested parties that have input to achieving the outcomes
- Confirming with these groups of people the specific issues that need to be resolved for each outcome
- Developing three-year plans to work towards achieving the Community Outcomes.

Section 92 (1) of the Local Government Act 2002, requires Council to monitor and, at least every three years, report on progress made by the community in achieving the Community Outcomes. Council has commenced an Outcome Monitoring Programme and will produce its first report on these in 2006. The measures for each Community Outcome are identified in the tables on the following pages.

As part of the Monitoring Programme, Council is working with other organisations and groups to gather and report results.



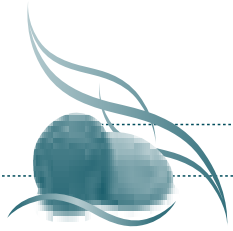
## COMMUNITY OUTCOMES FOR 2006-2016





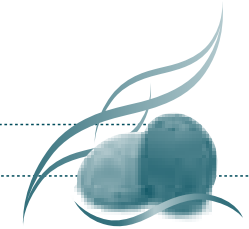
# 1. COMMUNITY PROSPERITY

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>1. COMMUNITY PROSPERITY</b> – To enjoy and prosper from a strong and growing economy that continues to attract and retain a highly skilled, productive population base and business sector.</p>			
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. A local economy that is attractive to both businesses and residents                  b. Retention of business achievers and people critical for business                  c. Attraction and nurturing of high quality businesses                  d. Local businesses being supported and promoted                  e. A skilled workforce that meets local businesses needs</p>			
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>More businesses operating in Hutt City</p>	<p>Recognition of Hutt City as a business location and vibrant city</p>	<p>Continued investment in current and new business activities</p>	<p>An available skilled workforce</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Retain current businesses</li> <li>• Grow current businesses</li> <li>• Attract new businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Improve communication between HCC businesses and within the business community</li> <li>• Build the profile of Hutt City as a place to do business, visit and live</li> </ul>	<ul style="list-style-type: none"> <li>• Understand, advocate for and assist with city-wide investment requirements</li> <li>• Continue to develop and advocate for city-wide infrastructure that assists in business growth</li> </ul>	<ul style="list-style-type: none"> <li>• Plan, advocate and provide for skills development to meet business needs</li> <li>• Assist with immigration and inbound skill requirements</li> <li>• Access central government funds and programmes particularly those focused on youth employment and training</li> </ul>
<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>– Business visit programme and follow up including inspections and enforcements, utility services, environmental planning</li> <li>– Economic development funds (Small business assistance, Jackson St, Business Hutt Valley)</li> </ul>	<ul style="list-style-type: none"> <li>– Business forums (Business breakfasts, real estate agents, Community Plan business forum, visitor liaison group, user groups)</li> <li>– Business communication (Thrive, business pages at huttcity.info)</li> </ul>	<ul style="list-style-type: none"> <li>– CBD Masterplan implementation</li> <li>– Suburban shopping centre fund programme and projects</li> <li>– Anti-graffiti programme</li> <li>– HCC rates remission policy</li> <li>– Positively Wellington Business Investment Programme</li> </ul>	<ul style="list-style-type: none"> <li>– PWB migrant attraction programme</li> <li>– TradeStart</li> <li>– Skills needs assessment through PWB</li> <li>– Work and Income liaison/relationship development</li> </ul>



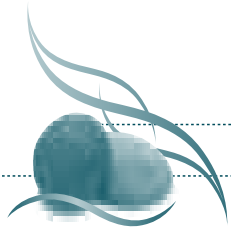
<p><b>Tactics (continued)</b></p>	<ul style="list-style-type: none"> <li>- Business group liaisons and events (Wingate, Seaview, Petone)</li> <li>- Business care programme</li> <li>- Library information to businesses</li> <li>- PWB grant applications for funding for local businesses</li> <li>- Business retention proposals as required</li> <li>- PWB niche manufacturing cluster and other clusters</li> <li>- Wellington Regional Strategy participations and secretariat</li> <li>- Building consent liaison with businesses and developers</li> <li>- Building inspections and licensing</li> <li>- Street enhancements as required</li> <li>- Food safety programme audits</li> <li>- Environmental protection initiatives as required</li> <li>- Bylaw reviews</li> <li>- District Plan review(s) when and where necessary</li> <li>- Business attraction brochure</li> </ul>	<ul style="list-style-type: none"> <li>- Business information database management</li> <li>- Visitor Information Office and website</li> <li>- Hutt city promotion campaign</li> <li>- Events funding and Leisure Active events programme</li> <li>- Business/location promotion (“Beyond the Zone, Gold Awards”)</li> <li>- Dowse liaison and development with local businesses</li> <li>- Dowse and Petone Settlers Museum</li> <li>- Library events and programme relevant for businesses</li> <li>- Refuse disposal facility (landfills)</li> <li>- Better Together programme for providers</li> <li>- Purchasing policy which includes local supplier aspects</li> <li>- Welcome packs</li> <li>- Events website update</li> <li>- Education Wellington (EWI) funding</li> <li>- International relations programmes including identifying economic development opportunities</li> </ul>	<ul style="list-style-type: none"> <li>- Ongoing infrastructure (roading/waste/water) maintenance and implementation of programmes</li> <li>- Recreation, retail and entertainment facilities in Seaview/Gracefield study</li> <li>- Dowse business centre facility promotion meetings, product launches, expo, seminars (P)</li> </ul>	<ul style="list-style-type: none"> <li>- Weltec and HCC Memorandum of Understanding projects</li> <li>- Mayors Taskforce for Jobs</li> <li>- First Foundation scholarship for local student</li> <li>- Shadow services for Call Centre Certificate participants</li> <li>- Cadetships at HCC</li> <li>- Business employee welcome pack (P)</li> <li>- Dowse Centre Entrepreneurship programme</li> <li>- Youth Transition Scheme</li> </ul>
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(P) Indicates proposed of potential tactics identified



<p><b>Tactics (continued)</b></p>	<ul style="list-style-type: none"> <li>– Hutt City promotion guides (visitor) and tourism advertising</li> <li>– Business media relationship development (P)</li> <li>– Dowse Creative Economy strategy update (P)</li> </ul>
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Ratio of registered employed to total working age population in Hutt City Council</li> <li>• The number of businesses in Hutt City</li> <li>• Number of jobs full-time equivalents (FTEs)</li> <li>• Number of unemployed</li> <li>• Increase in retail spend in Hutt City</li> <li>• GDP</li> <li>• Level of recognition by business of Hutt City as a place to do business</li> <li>• Level of awareness of Hutt City as a tourism destination</li> <li>• Economic benefit of events to Hutt City</li> <li>• Growth in value of commercial building consents</li> <li>• Increase percentage of population with higher qualifications</li> <li>• Increase in household income</li> <li>• Increase in per capita income</li> </ul>
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>TradeStart</b> TradeStart is a joint initiative between Council, Work and Income, Industry Training Organisations (ITOs) and Weltec. The objective of TradeStart is to increase the number of people entering trades training and apprenticeships to improve the current tradesperson shortages and help develop a skilled workforce in Hutt City. A trade information centre has been created as a focal point for the programme where prospective candidates or employers can receive information on particular trades and meet with relevant ITO personnel. The centre manager calls on schools, employers and other groups of people who are either interested in pursuing a trade career or influence the decisions of those who might be interested.</p>

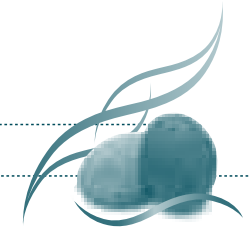
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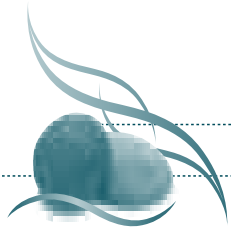
## 2. CONNECTED

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>2. CONNECTED</b> – The region will be connected locally and globally by offering world-class accessibility and linkages. That includes high capacity communication networks, top quality air and sea ports, well-functioning highways and local links and excellent public transport services.</p>			
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. Effective and efficient public transport that results in increased use of public transport                  b. Enhanced roading systems particularly State Highway 2, Cross Valley Link, State Highway 1 and the Hutt CBD                  c. Continual upgrade and provision for growth to make Hutt City interesting and attractive                  d. More investment in sustainable transportation solutions – public transport, car pools, bicycle lanes                  e. Good telecommunications systems</p>			
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>Efficient public transport that provides a viable alternative to roading</p>	<p>Efficient regional roading networks and local links</p>	<p>A local cycleway network that stimulates growth in recreational cycle use</p>	<p>Affordable access to telecommunications networks for business and residents</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Influence and lobby Greater Wellington to ensure Hutt City Council public transport objectives are well presented in Regional Land Transport strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Influence and lobby Greater Wellington to ensure Hutt City Council road transport objectives are well presented in Regional Land Transport strategies</li> </ul>	<ul style="list-style-type: none"> <li>• Plan for and implement an improved cycle network</li> </ul>	<ul style="list-style-type: none"> <li>• Ownership in community infrastructure</li> <li>• Advocacy to central government and other agencies</li> <li>• Support the upgrade of technological infrastructure</li> </ul>
<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>– Local and national rail needs advocacy</li> <li>– Advocacy of public transport usage when organising and promoting events</li> </ul>	<ul style="list-style-type: none"> <li>– HCC and Hutt Valley roading needs and funding advocacy</li> <li>– Cross Valley Link investigations</li> <li>– Dowse Interchange development</li> <li>– SH2 developments (P)</li> <li>– Cross Valley Link investigation (P)</li> </ul>	<ul style="list-style-type: none"> <li>– Cycling Strategy</li> <li>– Cycleway programme development</li> <li>– Implement cycleway programme</li> </ul>	<ul style="list-style-type: none"> <li>– Smartlinx3</li> <li>– Broadband ducting as we undertake roading works</li> <li>– WiFi repeater (camera) in the Library</li> </ul>

(P) Indicates proposed of potential tactics identified



<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Public transport usage figures</li> <li>• Construction of cycleway – physical works</li> <li>• Inclusion of key HCC regional transport issues in the Regional Land Transport Strategy (being Valley Floor Connector, SH2 upgrades – Dowse to Petone and Petone to Ngauranga)</li> </ul>
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>Quality Partnership Agreement</b> This is a joint Committee of Greater Wellington, Hutt City Council, Upper Hutt City Council and bus and rail operators. The purpose of this Agreement is to promote public transport initiatives. Some current projects/initiatives include the Wainuiomata accessibility project (to improve bus access for wheelchair users) and the promotion of the Metlink brand to promote bus and train travel and to facilitate transfers between various nodes and forms of transport.</p>



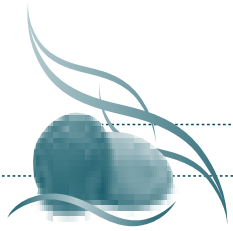
### 3. ENTREPRENEURIAL AND INNOVATIVE CULTURE

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>3. ENTREPRENEURIAL AND INNOVATIVE CULTURE</b> – We will be recognised as a place of new ideas. Innovation and creativity underpin the development of new fields of endeavour and business, and drive strong sustainable economic growth. We will capitalise on being the seat of government and our excellent educational and research institutions will foster cross-fertilisation.</p>			
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. A growing number of entrepreneurial companies located in Hutt City                  b. Creation of an exciting, dynamic city so entrepreneurs want to live and work here                  c. Encouragement of enterprise and innovation including incentives to attract research, development and application industries                  d. Make the most of the Crown Research Institutes (CRIs) by attracting the kind of people with the entrepreneurial nous to build on these Research and Development (R&amp;D) outcomes</p>			
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>Increasing number and size of high value businesses utilising local science and new technology</p>	<p>Recognition of Hutt City as a city of entrepreneurial and innovative businesses</p>	<p>New investment in high value business activities</p>	<p>A highly skilled workforce</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Retain current businesses</li> <li>• Grow current businesses</li> <li>• Attract new businesses</li> <li>• Access Central Government funding for local businesses' R&amp;D</li> </ul>	<ul style="list-style-type: none"> <li>• Improve communication and connections between Hutt City businesses and CRIs and tertiary institutions in the region</li> <li>• Build the profile of Hutt City as a city of entrepreneurial and innovative businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Understand, advocate for and assist with city-wide investment requirements</li> <li>• Continue to develop and advocate for city-wide infrastructure that assists in business growth</li> </ul>	<ul style="list-style-type: none"> <li>• Plan, advocate and provide for skills development to engender innovation</li> <li>• Assist with immigration and inbound skills requirements</li> </ul>





<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>- Business visit programme</li> <li>- Business group liaisons</li> <li>- PWB grant applications for Central Government funds for R&amp;D</li> <li>- PWB Clusters</li> <li>- Advisory role in Industrial Research Limited (IRL) incubator programme</li> <li>- Weltec Centre for Smart Product</li> <li>- Wellington Regional Strategy participation</li> <li>- Advocacy to relevant Central Government agencies (eg, Foundation for Research and Technology (FORST))</li> </ul>	<ul style="list-style-type: none"> <li>- Gold Awards</li> <li>- Business forums</li> <li>- Business communications</li> <li>- Urban design protocol</li> <li>- Hutt City promotion</li> </ul>	<ul style="list-style-type: none"> <li>- HCC targeted Rates Remission Policy</li> <li>- Advocacy and involvement in developing greater broadband access</li> <li>- Business attraction brochure and liaison with developers and agents</li> <li>- Support for Major Regional Initiative application for Industry Development Centre</li> </ul>	<ul style="list-style-type: none"> <li>- PWB migrant attraction programme</li> <li>- Skills needs assessment through PWB</li> <li>- Weltec MOU and projects</li> <li>- Dowse Centre entrepreneurship programme</li> <li>- Support for Business Hutt Valley training programmes</li> <li>- Support of education initiatives</li> </ul>
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Growth in number of businesses in Hutt City in innovative sectors</li> <li>• Growth in number of jobs (FTEs) in innovative businesses</li> <li>• Percentage of workforce with higher qualifications</li> <li>• Value of successful R&amp;D grant applications</li> <li>• Number of tertiary students studying in Hutt City</li> </ul>			
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>Rates Remission Policy</b> Council's Rates Remission Policy for Economic Development encourages applications from innovative or rare types of businesses using advanced science and/or advanced technology with more lenient application criteria with respect to the timeframe within which a certain number of jobs and investment will be realised.</p>			

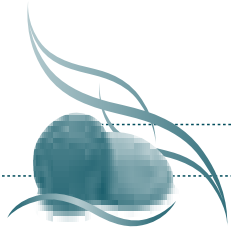


## 4. HEALTHY ENVIRONMENT

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>4. HEALTHY ENVIRONMENT</b> – The region will offer a beautiful ecologically sustainable natural environment. That environment will offer numerous opportunities for recreation and healthy living.</p>	
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. Having clean air, water and land b. Continued protection and conservation of our environment c. Efficient use and conservation of energy resources</p>	
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>Ensure the quality of air, water and soil is kept within acceptable levels in the district</p>	<p>Diversity and sustainability of the natural environment</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Provide District Plan provisions that manage the effects of land use</li> <li>• Provide public education on environmental initiatives</li> <li>• Promote enhanced water quality in the city’s waterways</li> <li>• Advocate on sustainability issues in conjunction with Greater Wellington and other environmental agencies</li> </ul>	<ul style="list-style-type: none"> <li>• Develop policies and implement practices that enhance the environmental sustainability and natural diversity of our parks and reserves</li> <li>• Recognise and preserve the essential elements of the City’s landscape that give structure and contribute to its natural and cultural identity</li> <li>• Promote the protection of the natural environment</li> </ul>
<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>– District Plan</li> <li>– Resource Consents that mitigate effects</li> <li>– Environmental monitoring</li> <li>– Enforcement of Resource Consent conditions</li> <li>– Endorsement of District Plan provisions</li> <li>– Assessment of Water Services (S125G)</li> <li>– EarthLink</li> <li>– Environmental education</li> <li>– EnviroSchools Programme</li> <li>– Support business sustainability</li> <li>– Wellington Regional Environmental Agency participation</li> <li>– Waste management</li> </ul>	<ul style="list-style-type: none"> <li>– Biosecurity Act (pest plants) landowner obligations</li> <li>– Rare and endangered plant collections support</li> <li>– Possum control</li> <li>– Additional weed control in reserves (weeds that have yet to be classified as noxious)</li> <li>– Re-vegetation of reserve areas</li> <li>– Waiwhetu Stream environmental enhancements</li> <li>– Manage impact of inappropriate development on areas of natural environment and reserve land subdivisions allowing for vesting land as reserve</li> <li>– Promote voluntary measures for protection of areas of significant natural resource eg, QEII Covenants</li> </ul>



<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Air quality (24 hour average PM10 Concentration) – Measure against national guideline of 50ug/m3</li> <li>• Water quality (Macroinvertebrate Index (MCI). MCI&gt;120 indicates clean water; 100-119 indicates moderate enrichment; 80-99 indicates probable moderate pollution; &lt;80 indicates probable severe pollution</li> <li>• Soil Quality – Hazardous Waste Collection, a measure of the amount of hazardous waste removed permanently from soil and the potentially harmful effects of spillage</li> </ul>
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>Enviroschools Programme</b> The national Enviroschools programme has been running in Hutt City for the last two years. Council is currently working with four schools all of which obtained a Bronze Enviroschools Award in the first year of the programme. The purpose of Enviroschools is to create healthy, peaceful and sustainable schools through students designing, planning and creating their environment.</p>

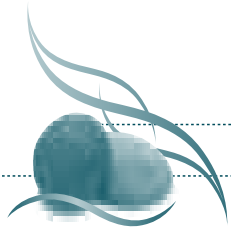


## 5. LIFESTYLE

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>5. LIFESTYLE</b> – The region will have an exceptional quality of life where living is easy, safe and fun, and there is a wide range of affordable healthy lifestyle options underpinning a strong community spirit. We will be celebrated for our arts, sports and entertainment scene.</p>		
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. A city that is safe b. Affordable access to community facilities that include arts, cultural and recreational options c. A diverse natural environment that is accessible, enjoyable and safe d. Encouragement of arts, cultural and sports activities including local, national and international events e. Attraction of tourists to Hutt City</p>		
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>A safe place for residents, businesses and visitors</p>	<p>Increased awareness of and participation in arts, cultural and recreational activities in the city</p>	<p>Improved access to a safe and enjoyable natural environment</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Assist in reducing crime levels and accident levels</li> <li>• Provide and develop safe public places including neighbourhood-based safety projects</li> <li>• Assist in increasing perceptions of safety</li> <li>• Access Central Government funds and programmes</li> <li>• Promote personal safety activities and initiatives</li> <li>• Safety initiative and projects</li> <li>• Neighbourhood support services assistance</li> <li>• Manage graffiti</li> </ul>	<ul style="list-style-type: none"> <li>• Provide a range of arts, cultural and recreational facilities throughout the city</li> <li>• Encourage and help co-ordinate for others to provide arts, cultural and recreational facilities</li> <li>• Reduce constraints and barriers to participation</li> <li>• Locate HCC recreational facilities throughout the city</li> <li>• Increase the perception of the city as a busy place</li> <li>• Increase the events profile of the city</li> </ul>	<ul style="list-style-type: none"> <li>• Implement programmes and practices that improve public access and enjoyment of our parks and reserves, and regional parks, rivers and coastline</li> <li>• Improve public feeling of safety when using our parks and reserves</li> </ul>



<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>- Liquor bans</li> <li>- Road safety Strategy Co-ordinator and other associated programmes</li> <li>- Animal control activities</li> <li>- School programmes (injury prevention and fire safety)</li> <li>- Safety audits</li> <li>- Road and amenity cleaning and vegetation control</li> <li>- Elderly residents injury prevention project</li> <li>- Crime Prevention Action Plan</li> <li>- Bylaws review (liquor, dog, road speed)</li> <li>- Safe City Strategy</li> <li>- Crime Prevention through Environmental Design and Domestic Violence (DV) projects</li> <li>- Family safety team facilitation</li> <li>- Project Walkabout</li> <li>- Emergency Management services</li> <li>- Street Link Team (CBD)</li> <li>- Free graffiti removal service</li> <li>- Graffiti management</li> </ul>	<ul style="list-style-type: none"> <li>- Dowse Museum</li> <li>- Petone Settlers Museum</li> <li>- Sports grounds (29) and sports fields (200)</li> <li>- Hutt Park Northern Zone developments</li> <li>- Playgrounds (54)</li> <li>- Discounted fees for turf sports</li> <li>- Walter Nash stadium funding</li> <li>- Arts and cultural events funding</li> <li>- Community halls</li> <li>- Libraries (8) providing programmes, displays and events</li> <li>- Swimming pools (6)</li> <li>- Swim city programmes at our pools including programmes for children through to older residents</li> <li>- School holiday programmes in pools and libraries</li> <li>- Older adults recreation programmes</li> <li>- Active Communities Project</li> <li>- Creative communities funds and grants</li> <li>- Youth centre funding</li> <li>- Dowse museum extension</li> <li>- Pacific Island network and movement programme</li> <li>- Hutt City Council events programme and Eventlink</li> <li>- Visitor Information Office (VIO) and website</li> <li>- Work with YMCA to provide recreational and other programmes</li> </ul>	<ul style="list-style-type: none"> <li>- Beach grooming (Petone, Days Bay, Sorrento and Rona Bay)</li> <li>- Open park space maintenance</li> <li>- Network of walkways development and maintenance</li> <li>- Petone Recreation Ground beautification works</li> <li>- Hugh Sinclair Park Development</li> <li>- Avalon Park</li> <li>- Korohiwa Landscape development</li> <li>- Petone Foreshore upgrade</li> <li>- Reserve adjacent to Hutt River, links to greenways to inner city areas</li> <li>- Cycle paths</li> </ul>
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<p><b>Tactics (continued)</b></p>	<ul style="list-style-type: none"> <li>– Hutt Park Sports Zone (P)</li> <li>– Gym at Naenae Pool (P)</li> <li>– Eastern Hills downhill mountain bike track (P)</li> <li>– Walter Nash Stadium ownership (P)</li> <li>– Little Theatre facilities usage (P)</li> </ul>	
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Percentage of residents who use pools</li> <li>• Percentage of residents who use libraries</li> <li>• Percentage of residents who use sports grounds</li> <li>• Annual number of museum visits</li> <li>• Percentage of residents who are satisfied with the city’s parks, reserves and gardens</li> <li>• Percentage of residents who feel safe in the city in general</li> <li>• Percentage of residents who feel safe in the central city</li> <li>• The number of crimes recorded in Hutt City. Total number of ACC claims in Hutt City – entitlement claim rate per 100,000 population</li> <li>• Total number of crimes recorded in Hutt City in the areas of violence, sexual offences, drugs and antisocial behaviour, dishonesty, property damage, property abuses, administrative</li> <li>• Alcohol monitoring – Last Drinks Survey</li> </ul>	
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>Active Communities Project</b> The Active Communities Project is a joint initiative involving Hutt City Council, Upper Hutt City Council, Sport and Recreation New Zealand, Sport Wellington Region and Regional Public Health. The purpose of the project is to increase the physical activity levels, and subsequently health benefits, of the resident community of the Hutt Valley. To date the outcomes have been: comprehensive research into current activity levels, barriers to participation and gap analysis, sport and physical activity forums, monthly Active Communities features in local papers, increased advertising and networking for current providers, and the piloting of the following programmes: Women’s run/swim series, Push Play in the Park, and Kev the wandering kiwi bush walks.</p>	

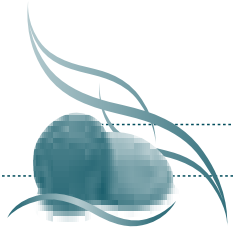
(P) Indicates proposed of potential tactics identified



## 6. REGIONAL FOUNDATIONS

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>6. REGIONAL FOUNDATIONS</b> – People and businesses will have high quality, secure essential services for their everyday living. They will be retained and developed in a manner that is consistent with the sustainable growth of the region.</p>		
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. Everyone has a quality standard of affordable housing                  b. Roading, water and waste (including recycling) work are accessible to all                  c. Maintenance and continual upgrade of services to allow for security and growth                  d. Good information on how to be prepared for an emergency</p>		
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>A healthy urban environment</p>	<p>A range of housing and provider options within Hutt City</p>	<p>High quality of new and renovated housing</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Ensure that the Waste Management Plan considers options for reduction, reuse, recycling, recovery, treatment and disposal of waste in the district</li> <li>• Ensure high standards of licensed food and alcohol premises</li> <li>• Provide essential services to residents and businesses</li> </ul>	<ul style="list-style-type: none"> <li>• Provide social housing</li> <li>• Encourage other agencies to provide housing options</li> <li>• Encourage a sufficient supply of rental housing</li> <li>• Encourage a sufficient supply of properties for home ownership</li> </ul>	<ul style="list-style-type: none"> <li>• Manage building controls to meet specific requirements of the city</li> <li>• Ensure houses are built and renovated to meet the requirements of the Building Act</li> <li>• Provide good services to property developers</li> </ul>
<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>– Landfill management</li> <li>– Wastewater (Resource Consents)</li> <li>– Tradewaste (Bylaw)</li> <li>– Wastewater Infiltration and Inflow Programme</li> <li>– Water Conservation Programme</li> <li>– Sanitary Services assessment (\$125 LGA)</li> <li>– Stormwater improvement programme</li> <li>– Recycling initiatives</li> </ul>	<ul style="list-style-type: none"> <li>– Elderly housing options in Wainuiomata project</li> <li>– Housing facilities for the elderly and socially disadvantaged</li> <li>– Housing NZ (HNZ) relationship management</li> <li>– Residential rates remission funds</li> <li>– HNZ maintenance fund</li> <li>– Council housing review</li> <li>– Emergency housing options review (P)</li> </ul>	<ul style="list-style-type: none"> <li>– Building inspections</li> <li>– Flood mapping services</li> <li>– Building consents</li> <li>– Retro fitting project with DHB (P)</li> </ul>

(P) Indicates proposed of potential tactics identified



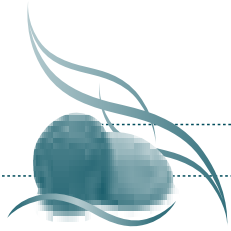
<p><b>Tactics (continued)</b></p>	<ul style="list-style-type: none"> <li>– Annual Household Hazardous Waste Collection</li> <li>– Food premises inspections</li> <li>– Liquor licences</li> <li>– Cemetery services under the Health Act</li> <li>– Sewage and refuse disposal services</li> <li>– Rubbish and recycling collection service</li> <li>– Water Supply</li> <li>– Pollution/emergency response for containment of spillages as required</li> <li>– Accelerated programmes to address flood prone areas</li> </ul>	<ul style="list-style-type: none"> <li>– District Plan</li> <li>– Review of the residential provisions of the District Plan</li> </ul>	
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Median house prices in the City relative to median income</li> <li>• Waiting list numbers for HNZ/HCC accommodation</li> <li>• Median rental price of accommodation as a percentage of average income</li> <li>• Number of complaints received by Council regarding poor standard of accommodation</li> <li>• Percentage of residents who think there is sufficient access to affordable and quality housing in Hutt City</li> </ul>		
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>Recycling Initiative with Earthlink</b> Council has formed a partnership with Earthlink, a charitable organisation established to provide employment opportunities for mental health patients. To support this initiative Council has set aside an area at Silverstream Landfill where customers can drop off goods which may be recyclable; such as household or recreational items, and furniture and fittings. These goods are then transported to Earthlink’s premises where their staff repair, clean and present these items for resale. Council and Earthlink are looking to expand this venture by commencing educational tours of the facility, showing school children how “junk” can be recycled.</p>		





## 7. SENSE OF PLACE

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>7. SENSE OF PLACE</b> – We will have a rich, diverse sense of place as a sophisticated region encompassing the intimate urban core, capital city status, magnificent harbours, rivers, centres of learning, extensive coastlines, its rolling hinterland and diverse centres and neighbourhoods, which are all treasured by its citizens.</p>	
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. A built environment that is attractive, safe and healthy                  b. A more attractive Hutt City                  c. Developing the uniqueness of Hutt City including its history and culture                  d. More and better focus on the harbour, river and recreation opportunities</p>	
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>A built environment considered to be attractive, healthy and safe</p>	<p>An appropriate balance between the natural and built environment</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Ensure that the attractiveness of the built environment is enhanced</li> <li>• Develop policies and practices that help to improve the cleanliness of the city’s infrastructure</li> <li>• Ensure that safety within and around the city’s built environment is improved</li> </ul>	<ul style="list-style-type: none"> <li>• Ensure the amount and quality of green spaces in the city is maintained</li> <li>• Ensure that planning processes enable effective public consultation over an appropriate balance between the natural and built environment</li> <li>• Work with Greater Wellington on the development of the Waiwhetu Stream Management Plan to balance environmental enhancement and urban flood protection</li> <li>• Promote the protection of the natural environment</li> </ul>

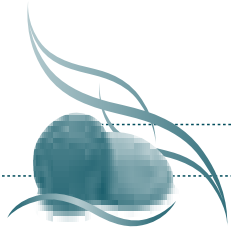


<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>- Mapping of identified cultural sites in Hutt City</li> <li>- Monitoring and enforcing resource consent conditions</li> <li>- Enforcement of District Plan provisions</li> <li>- Consultation with different agencies in the formulation of environmental policy and the processing of resource and building consents, including mana whenua organisations, NZ Historic Places Trust, Greater Wellington etc</li> <li>- Cleaning up litter from all parks and reserves and street gardens</li> <li>- Noise control</li> <li>- Problem tree removal around the City</li> <li>- Quality landscaping in public places</li> <li>- Keep Hutt City Beautiful Graffiti removal, “Art 4 Change” programmes</li> <li>- Supporting business’ sustainability</li> <li>- Regional planning for a Regional Heritage Promotion Council</li> <li>- Crime Prevention through Environmental Design training</li> </ul>	<ul style="list-style-type: none"> <li>- District Plan policy to reflect objectives</li> <li>- Monitor and enforce resource consent conditions</li> <li>- Enforcement of District Plan provisions</li> <li>- Consultation with different agencies in the formulation of policy and the processing of resource and building consents, including mana whenua organisations, NZ Historic Places Trust, Greater Wellington etc</li> <li>- District Plan provisions that assist with the implementation of any Floodplain management plans</li> <li>- Flower bed displays throughout the city</li> <li>- Provide and maintain street trees</li> <li>- Provide and maintain landscaped street gardens</li> <li>- Quality landscaping in public places</li> </ul>
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Percentage of open space relative to built up space</li> <li>• Percentage of residents who are satisfied with the city’s parks, reserves and gardens</li> <li>• Percentage of residents who think Hutt City is better, about the same or worse than it was three years ago</li> </ul>	
<p><b>An Example</b> Current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>CBD Masterplan</b> The CBD Masterplan provides a long term framework and an overall vision to guide environmental enhancement of the Hutt City CBD. It is intended as a long term programme of initiatives aimed at improving the structure and strengthening the image and identity of the CBD. A key objective of the Masterplan is bringing the specific “sense of place” associated with the area to the forefront through a programme of design initiatives and environmental enhancements. The first of these initiatives is the “retail connector” in Margaret Street improving the connection between the high street shopping precinct with the redeveloped Westfield Queensgate mall.</p>	



## 8. STRONG AND TOLERANT COMMUNITIES

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>8. STRONG AND TOLERANT COMMUNITIES</b> – We will have inclusive, caring, friendly and participative communities that embrace newcomers, are open and welcoming to different lifestyles and celebrate diversity. The relationship with tangata whenua and ethnic communities will be important to the vibrancy of the community tapestry.</p>
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. A city that is friendly and welcoming where people experience a sense of belonging b. Encouraging community involvement and engagement with civic life c. More celebration of tangata whenua and multi culturalism in the city d. Migrants are well adapted to New Zealand way of living</p>
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>A place where people feel a sense of belonging</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Welcome residents, businesses and visitors</li> <li>• Promote friendly local government</li> <li>• Provide opportunities for involvement in city life</li> <li>• Support and build/enhance local communities and community interests</li> <li>• Provide opportunities for communities to work in partnership with Council</li> <li>• Celebrate communities and individual achievements</li> <li>• Recognise different communities</li> <li>• Recognise and support tangata whenua</li> <li>• Assist in mitigating effects of deprivation and social isolation</li> </ul>
<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>– HCC Consultation Policy</li> <li>– Community Development Funding and grants</li> <li>– Community Development assistance</li> <li>– Community houses</li> <li>– Ceremonies and events (Civic Honours, ANZAC Day, Volunteer Day, International Students)</li> <li>– Physical works projects (CBD, suburban shopping)</li> <li>– Policy projects (Governance Group, Naenae community)</li> <li>– Graffiti removal service</li> <li>– Hutt City Promotion Campaign</li> </ul>



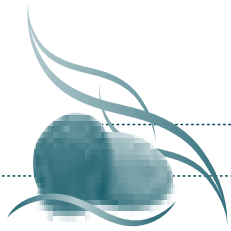
<p><b>Tactics (continued)</b></p>	<ul style="list-style-type: none"> <li>- Migrant information at libraries</li> <li>- Art 4 Change</li> <li>- Training of community groups</li> <li>- Pacific Island Network facilitation</li> <li>- PWB Migrant programme</li> <li>- Welcome packs</li> <li>- Community events</li> <li>- Real estate agent education sessions</li> <li>- Consultation/Forum opportunities (Youth, Elder person, Disability)</li> <li>- Central Government funded Migrant Worker</li> <li>- Hutt City Promotion Campaign (Yr 3 P)</li> <li>- Citizens pack (P)</li> <li>- Regional Settlement Strategy implementation (P)</li> <li>- Youth festival co-ordination (P)</li> <li>- FamilyStart initiative (P)</li> </ul>
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<ul style="list-style-type: none"> <li>• Percentage of residents who think the community works together and people support each other</li> <li>• Percentage of residents who believe that increasing diversity in the city is a positive factor</li> </ul>
<p><b>An Example</b> Of current work undertaken by Council (and partners) in achieving the Outcomes</p>	<p><b>Strong and Tolerant Communities</b> Hutt City Council has been contracted by Department of Labour to strengthen services and support to new settlers (refugee and migrants) residing in the Hutt Valley. This project is one of nine pilot projects operating across the country and was initiated following the adoption of the New Zealand Settlement Strategy. The contract specifies the need to focus on providing access to appropriate information and responsive services. The contract requires HCC to take a leadership role in ensuring a collaborative approach is adopted – connecting government agencies, service providers, local communities and new settlers. An inter-sectorial steering group has been established and a five-year strategic plan developed to address the needs of new settlers across Lower Hutt and Upper Hutt. A settlement support network will also be established to ensure the key outcomes identified in the plan are achieved and to monitor the impact and effectiveness of the collective effort.</p>

(P) Indicates proposed of potential tactics identified



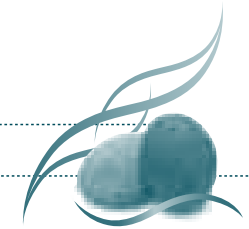
## 9. HEALTHY AND EDUCATED COMMUNITY

<p><b>Wellington Regional Outcomes</b> Outcomes wanted for the whole Wellington region</p>	<p><b>9. HEALTHY AND EDUCATED COMMUNITY</b> – Our physical and mental health is protected. Living and working environments are safe, and everyone has access to health care. Every opportunity is taken to recognise and provide for good health. Lifelong learning and education opportunities are world-class, contributing to an internationally competitive workforce and reinforcing the region as a desirable place to live.</p>	
<p><b>Hutt City Outcomes</b> What does this mean for Hutt City?</p>	<p>a. Everyone has access to a wide range of excellent education services b. Everyone has affordable access to services that improve health c. There is a seamless integration of health services d. Residents have a high standard of living</p>	
<p><b>Hutt City Council Objectives</b> What Council wants to achieve to meet this outcome</p>	<p>Increased community awareness and involvement in health issues</p>	<p>An increase in the knowledge capacity of the community</p>
<p><b>Strategy</b> How Council will contribute to achieving the Community Outcomes</p>	<ul style="list-style-type: none"> <li>• Promote opportunities for community access to health information</li> <li>• Identify and address barriers in accessing health services</li> <li>• Access Central Government funds and programmes</li> <li>• Participate in health-related projects</li> </ul>	<ul style="list-style-type: none"> <li>• Advocate for the local community</li> <li>• Provide a supportive environment for education providers to exist</li> <li>• Provide education needs for our communities</li> <li>• Increase residents' abilities to access knowledge electronically</li> <li>• Support the implementation of employment and training initiatives that offer improved employment, skill and income opportunities</li> <li>• Recognise and support education opportunities and excellence in the city</li> </ul>
<p><b>Tactics</b> Programmes and projects currently being undertaken by Council which contribute to the achievement of these Outcomes</p>	<ul style="list-style-type: none"> <li>– Working closely with the Hutt DHB as part of the Intersectoral Group</li> <li>– Facilitation/Collaboration with community and government agencies</li> <li>– Establishment of a joint (valley-wide) Disability Reference Group</li> <li>– Investigation of establishment of a joint (valley-wide) Elder Persons Reference Group</li> <li>– Hutt Valley Housing Group</li> <li>– Develop physical activity strategy</li> <li>– Develop related recreational strategies</li> <li>– Health promotion</li> </ul>	<ul style="list-style-type: none"> <li>– Early Childhood Education Centres operating on reserves</li> <li>– Education programmes (Community Development, Museums, Learn to Swim, Water safety, general information, literacy)</li> <li>– Library services throughout the city</li> <li>– Homework centres/computers</li> <li>– Internet and electronic database access at libraries</li> <li>– Rates differential and District Plan guidelines for education premises</li> <li>– Youth leadership activities and youth workers network</li> <li>– Outside School Care (OSCAR) projects</li> </ul>



<p><b>Tactics (continued)</b></p>	<ul style="list-style-type: none"> <li>- Health information at libraries</li> <li>- Alcohol projects (Alcohol Accords and Youth Access to Alcohol)</li> <li>- Drug education assistance (P)</li> <li>- Diabetes reference group (P)</li> </ul>	<ul style="list-style-type: none"> <li>- Wainuiomata Project</li> <li>- Youth Transition Scheme</li> <li>- Scholastics Awards to local students</li> <li>- Scholarships to local students</li> <li>- Project K funding</li> <li>- District truancy service assistance</li> <li>- Leadership lunches – Mayoral meetings with Head girls and boys</li> <li>- Community Information and Communication Technologies (ICT) strategy plan participation (P)</li> </ul>
<p><b>Key indicators</b> Key indicators that demonstrate progress made in achieving the Outcomes</p>	<p><b>Indicators we can measure</b></p> <ul style="list-style-type: none"> <li>• Percentage of population currently enrolled with Hutt City primary health organisations and comparative rates of ethnic groups enrolled</li> <li>• Number of FTE GPs in Hutt City</li> <li>• The number of publicly funded beds available for the elderly</li> <li>• Percentage of 3-5-year-olds enrolled in early childhood education (including Kohanga Reos and Pacific Island language nests) – comparison to national average</li> <li>• Percentage of school leavers who leave school without qualifications</li> <li>• Percentage of students with qualifications enrolling in tertiary institutions</li> </ul> <p><b>Indicators that we would like to measure</b></p> <ul style="list-style-type: none"> <li>• Number of school health visits carried out each year by school nurses</li> <li>• Number of preventable (total/via primary care) hospital admissions per year (young, old, men, women, Maori, Pacific, Asian, European)</li> <li>• Number of notifiable disease cases per year</li> </ul>	

(P) Indicates proposed of potential tactics identified

**An Example**

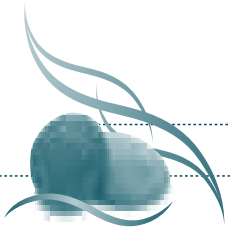
Current work undertaken by Council (and partners) in achieving the Outcomes

**Establishment of a Disability Advisory Group**

Hutt City Council is working in partnership with the Hutt Valley District Health Board and Upper Hutt City Council to establish a Disability Advisory Group. Council hopes, by establishing such a group, to achieve a better understanding of the needs of people with disabilities within the Hutt Valley and awareness of the barriers preventing people with disabilities from participating fully in community and city life. From Council's perspective having a Disability Advisory Group would:

- Build knowledge of the needs of people with disabilities and discuss and prioritise how needs can be resolved cohesively across the Hutt Valley
- Enhance knowledge about products and services available, how the decision-making processes work within the respective public bodies and how people with disabilities can participate in those processes
- Provide a first line of contact (without removing or reducing the agencies' respective responsibilities for consultation) and advise on and assist with consultation with people with disabilities.

Taking a joint approach is seen as particularly beneficial as it will enable agencies to share resources, it will ensure a louder voice in advocating on disabled people's issues affecting the Hutt Valley and a cohesive response from community agencies. There will be less duplication by people with disabilities through fragmentation of advice to community agencies, and results will be seen as implementation is undertaken across the whole of the Hutt Valley by appropriate agencies.



## STATEMENT OF CO-OPERATION

Council is committed to working with other local authorities and Central Government where there are benefits to the City in Council doing so. In performing its role, a local authority must act in accordance with a number of principles set out in the Local Government Act 2002, including that a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate, to promote or achieve its priorities and desired outcomes, and make efficient use of its resources.

Council was one of the signatories to the Wellington Regional Triennial Agreement, which has been finalised for the 2004-2007 triennium. The parties to the agreement have committed to working for the good governance of their city, district or region by acting co-operatively and collaboratively. It is intended that this agreement will ensure that appropriate levels of consultation and co-ordination are maintained between the councils of the Wellington Region. It is intended that the process of arriving at this agreement, and its ongoing operation, should contribute to the strengthening of the regional relationships.

Examples of Council working with other local authorities include:

Regional Initiatives:

- Participating in the Wellington Regional Strategy Forum, a joint committee of Wellington Territorial Authorities, working to build an internationally competitive Wellington Region. It is anticipated that through this initiative regional cooperation will continue to grow in the future, refer next page
- Jointly funding the regional economic development agency Positively Wellington Business (PWB). PWB facilitates, promotes and fosters development of a dynamic economy in the Wellington Region
- Making regional archives available in uniform format at one address online, through the Virtual Regional Archives Project. This enables greater public access and complies with the Public Records Bill and the Government Digital Strategy.

With Wellington City Council:

- Establishing the shared Water Management Unit, Capacity

- Investigating options for shared library services
- Providing an after hours emergency service.

With Upper Hutt City Council:

- Combining “Whole of valley” shared wastewater treatment and disposal
- Combining “Whole of valley” access to the Silverstream landfill, operated by Hutt City Council.

### WELLINGTON REGIONAL STRATEGY

The Wellington Regional Strategy Forum represents the **nine local authorities** that make up the Greater Wellington region.

The nine local authorities are:

- Kapiti Coast District
- Porirua City
- Upper Hutt City
- Hutt City
- Masterton District
- Carterton District
- South Wairarapa
- Wellington City
- Greater Wellington Regional Council

The Forum’s aim is to build an internationally competitive region, at the same time as enhancing our quality of life. As a region we’ve performed well. Our economy is strong and there are numerous lifestyle reasons why 460,000 people are proud to call the Wellington region their home.

But the picture is changing and we can’t be complacent. An example – on average, each of us produces goods and services to the value of \$36,700 (our per capita GDP – BERL 2005). This is higher than any other region in New Zealand. However, our GDP is growing





at a slower rate than other parts the country. Also, while Greater Wellington is a fantastic place to live, that won't continue if our transport systems don't develop and cope with the demands of an increasing population. These are just two of the things we need to plan for.

The nine local authorities that make up the Wellington Region are formally working together under a joint committee known as the Wellington Regional Strategy Forum. Positively Wellington Business (the regional economic development agency for the metropolitan area of the region) and iwi (via the advisory committee, known as Ara Tahi) are also partners in this process.

The Forum's task is to develop a strategy for ensuring the region's long term prosperity. In August 2005 the Forum launched a Growth Framework. This was the first step representing the collective thinking of the group so far. It set a broad direction for sustainable economic growth. Public submissions were sought in the six weeks following the launch.

Over 400 submissions were received and these are being factored into the final Growth Strategy. The Strategy will be released for public consultation mid 2006.

The following eight high level outcomes were proposed in the Wellington Regional Growth Strategy.

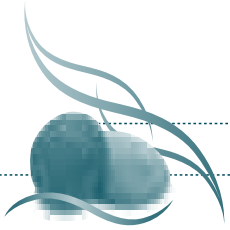
1. Community Prosperity – To enjoy and prosper from a strong and growing economy that continues to attract and retain a highly skilled, productive population base and business sector.
2. Connected – The region will be connected locally and globally by offering world-class accessibility and linkages. That includes high capacity communication networks, top quality air and sea ports, well-functioning highways and local links, and excellent public transport services.
3. Entrepreneurial and innovative culture – We will be recognised as a place of new ideas. Innovation and creativity underpin the development of new fields of endeavour

and business, and drive strong sustainable economic growth. We will capitalise on being the seat of government and our excellent educational and research institutions will foster cross-fertilisation.

4. Healthy environment – The region will offer a beautiful ecologically sustainable natural environment. That environment will offer numerous opportunities for recreation and healthy living.
5. Lifestyle – The region will have an exceptional quality of life where living is easy, safe and fun, and there is a wide range of affordable healthy lifestyle options underpinning a strong community spirit. We will be celebrated for our arts, sports and entertainment scene.
6. Regional foundations – People and businesses will have high quality, secure essential services for their everyday living. They will be retained and developed in a manner that is consistent with the sustainable growth of the region.
7. Sense of place – We will have a rich, diverse sense of place as a sophisticated region encompassing the intimate urban core, capital city status, magnificent harbours, rivers, centres of learning, extensive coastlines, its rolling hinterland and diverse centres and neighbourhoods, which are all treasured by its citizens.
8. Strong and tolerant communities – We will have inclusive, caring, friendly and participative communities that embrace newcomers, are open and welcoming to different lifestyles and celebrate diversity. The relationship with tangata whenua and ethnic communities will be important to the vibrancy of the community tapestry.

In addition, a ninth outcome has been suggested

9. Healthy and educated community – Our physical and mental health is protected. Living and working environments are safe and everyone has access to health care. Every opportunity is taken to recognise and encourage good health. Lifelong learning and education opportunities are world-class, contributing to an internationally competitive workforce and reinforcing the region as a desirable place to live.



## HUTT CITY'S COMMUNITY CHARTER – BUILDING A BETTER COMMUNITY



**Community Charter:** Hutt City was the first city in New Zealand to adopt its own Charter, setting out what it believes are the values and attitudes the City as a whole should promote. The initiative for this came from Church leaders following the tragic death in 2002 of one of the city's residents, which promoted everyone to reflect more deeply about how they care for one another, and also accept responsibility towards one another. The first words of the Charter are "together we make a difference" and Council staff have worked to adopt these values into the operations of the organisation and to liaise with local businesses, schools and other institutions (some of whom have already adopted their own) to do the same.

Residents want a community that works together, where people support each other and feel safe. The Community Charter provides a set of community values that the city, as a whole, can aspire to.

### OUR COMMUNITY VALUES

- Together we can make a difference
- Our city has a place for everyone
- We uphold everyone's right to life, liberty and the pursuit of happiness

Our city has what it takes to:

- Offer hope to those who feel there is none
- Be a place where people feel they belong
- Take responsibility for our own well-being
- Support each other when support is most needed
- Make this a safer city for everyone who lives and works here.

### FOR THE COMMUNITY TO ACHIEVE THE VALUES:

- Our community leaders will act according to our values
- We will keep learning about each other so that our values always reflect the people who live here
- We will encourage, recognise and reward people who promote community values
- Council will ensure its decisions and policies fit with our values
- We will regularly check that our activities take us closer to our goal of being a city renowned for its strength and sense of community.

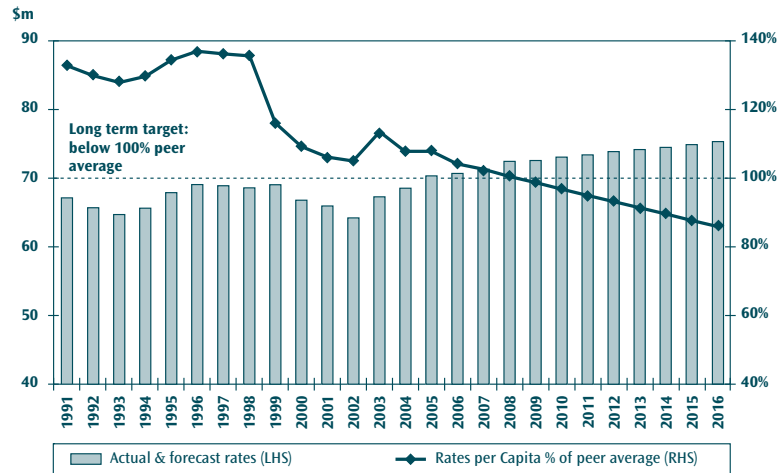
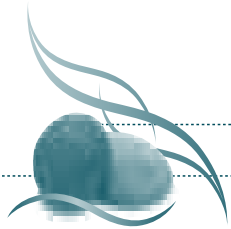
Council is committed to promoting the Community Charter within its own organisation and the community. Council will be one of a number of organisations that will play a role in promoting the Charter in the community.



## HUTT CITY COUNCIL'S FINANCIAL STRATEGY

Council has adopted a Financial Strategy to clearly summarise its financial objectives. The Financial Strategy is based on existing Council policies such as the Liability Management Policy, the Investment Policy, and the Revenue and Financing Policy. However, the Strategy also includes decisions of Council, such as a target for the annual rates increase. Council uses the Financial Strategy as a framework for budget management during Community Plan deliberations.

STRATEGY	OBJECTIVES	MEASURES	TARGETS
Rate Charges	Council rate charges are controlled prudently and are competitive when compared to peer local authorities	Rates per capita (refer graph on next page)	Annual increase below inflation + 0.5% Below peer average by 2010
Cost to deliver services	Council delivers services at a cost below the average of peer councils  Council's service costs are equitably allocated (within the limits of available charging mechanisms)	Total service cost per capita Support costs per capita  Actual revenue vs indicative cost allocations in the Revenue & Financing Policy: – Private vs public funding (user charges vs rates) – Public funding by sector.	Below peer average Below peer average  Individual activities generally within 5% of Policy Within 1% of Policy by 2010
Financial position	Council's financial position is better than peer average	Net debt level (refer to graph on next page)  Net debt per capita Net debt/equity ratio Operating result	Below annual target Below \$60m by 2010 Below \$30m by 2015 Within Treasury Policy limits at all times  Below peer average Below peer average Produce a surplus each year
Funding supply	Council has secure and cost-effective funding sources available to meet its financial needs	Liquidity requirements of the Liability Management Policy  Overall cost of funds	100% compliance with Policy requirements  Below independent benchmark by 2006
Financial risk	The risk of Council incurring a material financial loss is very low	Uninsured risks in relation to the Risk Management Policy  Investment and Liability Management Policy limits	All identified, considered and approved by The Executive Management Team (EMT)  100% compliance with Policy requirements

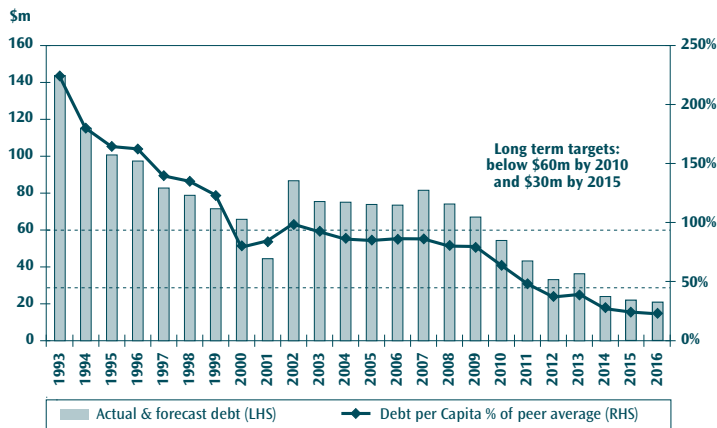


### RATES INCOME (INFLATION ADJUSTED)

The level of rates is a key focus of Council's Financial Strategy.

This graph shows historical and forecast rate levels. It highlights the reductions achieved from 1999 onwards, offset by modest increases in recent years to cover the cost of wastewater treatment facilities.

The graph also measures rates per capita in comparison with our peers (other similar local authorities). Historically Hutt City rates per capita have been well above peer average. This is partially owing to many peer authorities owning major profitable businesses such as ports, airports, forestry and electricity companies, that help to keep rates down. Council's long term target is to deliver rate levels less than the peer average per capita. The graph shows that this is forecast to be achieved in 2009.



### NET DEBT (INFLATION ADJUSTED)

Council's Financial Strategy has a target of reducing debt below \$30 million by 2015.

This graph shows historical and forecast net debt levels. It highlights the considerable success Council has had in reducing debt levels since 1993. At the time debt levels in Hutt City were more than twice the average for similar local authorities.

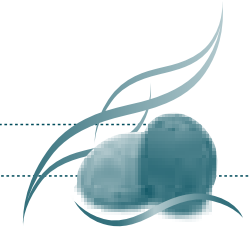
The increase in debt in 2002 was owing to the unavoidable requirement to fund the construction of the wastewater treatment facilities at Seaview. However, debt levels are now below the average of peer local authorities and forecast to fall further. In fact debt would be fully repaid by 2016, except that Council has budgeted an additional \$25 million for potential major infrastructure projects in 2015 to 2016.

# *Statement of Commitments*





## COMMITMENT TO OUR COMMUNITY



Hutt City Council is committed to contributing towards a vibrant and diverse city, to providing accessible and high quality leisure activities and facilities, and to supporting a community that is safe and connected. These commitments take into account the social and cultural outcomes that the community has indicated it would like to see the city achieve in the long term.

### WE ARE COMMITTED TO:

- Making Hutt City a great place to live, work and play
- Providing opportunities for community involvement in important decisions
- Recognising the different communities of Hutt City, and working with these communities to make sure they keep their unique character
- Supporting and facilitating a safer community
- Identifying community needs and facilitating responses
- Protecting and nurturing the natural environment so that all citizens and future generations can enjoy it
- Developing strategies that encourage sustainable economic development
- Making sure all residents have access to high quality services and facilities
- Encouraging a strong, enterprising and diverse business sector that provides jobs and opportunities for all citizens
- Providing the opportunity for stimulating knowledge and information for the personal growth and education of all citizens.

### OUR ROLE

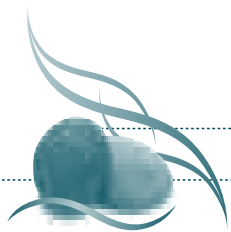
Council's principal role is to set policies that contribute to achieving outcomes. We will represent the views of the community and make decisions that allow Hutt City to grow and prosper.

We will also:

- Faithfully represent the broad wishes of the community
- Make decisions in an open and transparent manner
- Work in the best interests of the community
- Promote Hutt City regionally, nationally and internationally.

### YOUR ROLE

Council is accountable to you, its residents. So we provide the opportunity for you give feedback, and to be informed of Council activities and have input into decisions. You can do this by taking part in consultation processes and having your say when decisions on projects and activities are being made that may affect you or the community in which you live, work or play.



## COMMITMENT TO OUR ENVIRONMENT

Hutt City Council is committed to ensuring the city's environment is clean, healthy, attractive and sustainable. Council's commitment to the environment embraces the environmental outcomes that the city's residents identified as essential. Council has a number of city-wide and local initiatives that impact directly and indirectly on the environment. Some activities are focused towards providing community services and others involve regulatory responsibilities. These activities can also affect the environment beyond the city's boundaries, for example, the water quality of Wellington Harbour.

Greater Wellington – The Regional Council, the Ministry for the Environment, the Department of Conservation, environmental groups, and other organisations also play a pivotal role in making sure the city's environment is maintained to a high standard. All activities are undertaken with a view to enhancing the environment, controlling the adverse effects of refuse disposal, wastewater, invasive animals and plants, and ensuring delivery of Council's services is in a manner consistent with safeguarding public health and the sustainable management of resources. Council will continue to monitor and report on the social, economic, cultural and environmental impacts of these activities on a regular basis. In carrying out Council's activities a commitment will be given to protect and enhance the city's indigenous biodiversity.

### WASTEWATER

Now that the new wastewater treatment plant is operating and the discharge has been removed from the Wainuiomata River, Council is continuing to improve the level of service by reducing the wet weather loading of the wastewater system and increasing system reliability.

### WASTE AND WASTE MINIMISATION

Significant effort will be directed towards minimising waste within Hutt City. This will include education and other programmes to promote the recovery, reuse, and recycling of materials, as well as a review of the current Waste Management Plan.

Development of a new stage of Silverstream Landfill is underway, and will provide a facility for disposal of residual waste, with an expected life of around 50 years. The new facility is expected to open late in 2007.

### URBAN ENVIRONMENTAL ENHANCEMENT

Further physical enhancements are planned for the inner city and suburban areas. The focus will be on managing and designing a more attractive, safe, and vibrant urban environment. Where there is reconstruction planned for sections of kerb, channels and footpaths, environmental enhancements are also undertaken. This work generally involves the installation of trees, small garden areas and decorative lights. Consultation with residents ensures community input into final plans.

### BIODIVERSITY

There are ongoing programmes aimed at protecting rare and endangered plants, and eliminating pest plant species within the city. Native plants are used to revegetate sites that have been invaded by pest species. Residential reserve boundaries will continue to be cleared of gorse and blackberry. Cleared areas are replanted with more fire-resistant, bird-attracting native plants. Council is also committed to the eradication of animal pests, which helps protect key ecosystems. This includes the continuation of the award winning "Possum Busters" programme.

### ENVIRONMENTAL EDUCATION

There are ongoing programmes and projects designed to raise awareness of environmental issues within a specific context. Council undertakes programmes, projects and campaigns such as the Enviroschools sustainability programme for schools, and business sustainability programmes. Council also supports and undertakes environmental projects in conjunction with schools and environmental groups. Council provides co-ordination and support for its communities with projects to improve and beautify community areas. This is done through programmes such as: Keep Hutt City Beautiful, Graffiti in Our City and Drains to Streams. A city-wide clean-up is also undertaken during Keep Hutt City Beautiful/Clean Up New Zealand week.

### ENERGY

Council is going to sign up to become an Energywise Council and will be working towards becoming more energy efficient.





## COMMITMENT TO THE TREATY OF WAITANGI – TE TIRITI O WAITANGI

Council is committed to the principles of the Treaty of Waitangi – Te Tiriti O Waitangi – and to maintain and improve opportunities for Maori to contribute to local government decision-making processes. Council also recognises and provides for the special relationship that Maori have with their culture, traditions, land and taonga.

The obligation to consult with Maori includes recognising those who have mana whenua, or inherited rights of land ownership. Within Hutt City these are represented by Nga Tekau O Ponēke – the Wellington Tenth Trust. Council also recognises Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui as Tangata Whenua. Both these groups represent Te Atiawa and the Taranaki tribes within the Wellington region.

This obligation will also extend to urban Maori now resident in Hutt City, including (but not limited to) Te Runanganui o Taura Here ki Rimutaka and Hutt City Marae.

### KEY PRINCIPLES

- Take into account the principles of the Treaty of Waitangi – Te Tiriti O Waitangi.
- Continue with the established contractual agreements with Te Atiawa.
- Continue to work alongside established and develop relationships with other Maori organisations.
- Pursue Council's statutory obligations under Part II of the Resource Management Act 1991 and Section 4 of the Local Government Act 2002.

### GOALS

- Provide opportunities for Maori to contribute to Council decision-making processes.
- Enable greater information flows on activities of mutual interest to both Maori and Council.
- Foster the cultural life of the city in which Council and Maori will each play their part in a bi-cultural partnership.

### PROGRAMME

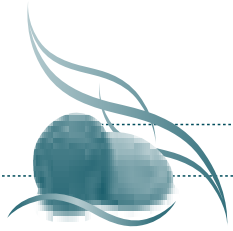
- Ongoing promotion of Memoranda of Understanding between Council and key Maori stakeholders.
- Work to maintain long-standing relationships with Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui, the Wellington Tenth Trust, Te Runanganui o Taura Here ki Rimutaka and Hutt City Marae.
- Work to maintain existing and developing relationships with other Maori community organisations.
- Ensure that all parties are kept informed of Council's developments and are given the opportunity to take part in Council's affairs.
- Quality advice and support for capacity and capability strengthening.

### JOINT INITIATIVES

Te Whiti Park is jointly managed by Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui and Council.

### MARAE FUND

Council grants to City Marae.



## COMMITMENT TO OUR CUSTOMERS

### ‘EASY TO DO BUSINESS’

Because we believe the Hutt City is a great place to live, work and play, we take pride in providing high-quality services and helping you in any way we can. We want to make it easy for you to do business with us by providing the right information at a place and time convenient to you. We gain the greatest satisfaction from putting our customers first. This means achieving and maintaining service excellence through ongoing improvements in delivering services, and providing value for money.

Participating in business excellence awards enables Council to assess overall performance. Gaining recognition in the NZ Business Excellence Awards endorses the hard work and commitment by staff at all levels of the organisation in our commitment to providing high-quality services.

It is our goal over the current financial year to continue to provide Hutt City residents with excellent service and to deliver ongoing improvements of which we can all be proud. We want to build on our relationships with our customers. We will listen to our customers’ (that’s you) needs and expectations. We will find out what is important and what you value, and take these into account when delivering our services. Our aim is to create a culture where staff make a difference, leading to more effective and efficient services.

### CUSTOMER STRATEGY

- Work together to provide a seamless delivery of service.
- Wherever possible have first point of contact resolution.
- Recognises that the customers’ experience is the most important aspect.
- Provide exceptional service and value for money.
- Involve and inform customers.
- Listen to our customers and learn to continuously enhance our services.

### QUALITY SERVICE

Quality initiatives will include internal monitoring, coaching, customer surveys and benchmarking to ensure best practice.

Council recognises the importance of customer feedback as a critical element in making decisions regarding service delivery. We conduct regular surveys which measure customers’ needs, wants and expectations so that in the end we can design a system which will ensure a consistent service that meets your needs.

We will continue to maintain a successful and resourceful organisation that is responsive, responsible and accountable to the community.

### OUR COMMITMENT TO YOU

We will:

- Go the extra mile
- Be knowledgeable, accurate and informative
- Be interested, fair, professional and friendly
- Be easy to contact
- Make realistic promises
- Do it right first time, on time, every time
- Measure ourselves against the best
- Take ownership.

## COMMITMENT TO OUR STAFF



Staff are crucial in achieving Hutt City Council's goals and objectives. As part of recruiting and retaining high calibre staff, Council aims to ensure its staff has appropriate training and development opportunities, a safe working environment and support in carrying out their duties. Council has several formal programmes in place to assist staff and these are outlined below.

### STAFF EDUCATION, TRAINING AND DEVELOPMENT

Training and development needs for each staff member will be assessed as part of the two-way annual performance appraisal system, allowing this component of training and development to be planned 12 months in advance. This allows management to take a strategic view of needs and resources. Staff are encouraged to undertake additional study through the study assistance policy, which Council funds up to a maximum of \$3,000 per employee per year and which can be used to subsidise course fees. In addition, up to 20 days of study leave are available for study and exams. Managers are required to review training outcomes with staff as part of coaching sessions, and more formally during the performance appraisal.

### STAFF HEALTH AND SAFETY

Council has a commitment to health and safety which is fully documented in the Health and Safety Manual. The responsibility for health and safety for each area rests with its manager as outlined in his or her job description. Health and safety statistics are reported quarterly at an organisation level to the senior management teams. The health and safety system and processes are audited each year by external auditors and as part of the legislative compliance programme.

The health and safety systems ensure that any identified hazards are minimised through the provision of safety equipment, appropriate briefings, training and/or the modification of work practices. Staff working in more hazard-prone environments are provided with training in such areas as dealing with hazardous substances and working with difficult customers or contractors.

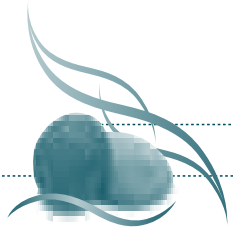
### STAFF SUPPORT CLIMATE

Council has a number of policies and processes aimed at facilitating employee well-being. These include:

- Code of Conduct
- Equal Employment Policy
- Executive Management Team Open Door Policy
- Employee Assistance Programme
- Defensive Driving Courses
- Study Assistance Policy
- Free influenza vaccinations
- Smoking Cessation Policy
- Job-sharing possibilities
- Parental Leave Policy
- Retirement Policy
- First aid training
- Discounted premiums for medical insurance
- Prevention and Dealing with Harassment Policy
- Alternative Working Arrangements Policy
- Volunteer leave
- Wellness Policy.

### STAFF SATISFACTION

Senior management receives tailored reports each quarter covering staff turnover and movements, as well as statistics on the use of sick leave and the Employee Assistance Programme. In addition, productivity within divisions and business units is monitored using standard output measures. Each year an annual staff satisfaction survey is carried out. The combination of these reports and initiatives allows the management team to assess satisfaction within the organisation.



The Employment Assistance Programme provides for employees who have difficult personal issues to refer themselves to qualified health professionals. It also allows for them to be referred by their managers. The referral rates are monitored centrally by the human resources advisor and reported to the Executive Management Team.

Senior management maintains an open door policy, so that any staff member can address the Executive Management Team on any issue of concern at the team's fortnightly meetings.

#### **STAFF PERFORMANCE MANAGEMENT**

Council utilises a performance appraisal process that is carried out annually. The system was designed by a joint committee of managers, staff and union representatives, and recent adjustments were agreed by a similar committee. The system rewards performance over and above the requirements described in the staff member's job description. Staff members are able to earn up to 110% of the market median for their position.

The system involves the setting of objectives for the year, analysis by managers and staff of development needs related to work requirements, and competency development (such as communication and problem-solving), as well as input from the staff member regarding the individual development they would like to undertake. The process is documented on standard forms that are used by managers in coaching sessions throughout the year, as well as at the year end evaluation. The resulting staff development plans are also used as the basis for planning training and development initiatives at divisional and group level.

A team bonus is also available, which is based on Council's performance throughout the financial year. The team bonus recognises that all staff members work towards shared organisational outcomes.

#### **EQUAL EMPLOYMENT OPPORTUNITIES**

Everyone has the right to equal employment opportunities. Council is committed to the principle of equal employment opportunities in recruiting, employing, training and promoting its staff. The principles of the Equal Employment Programme are to:

- Provide fair and proper treatment for staff
- Eliminate inequality in employing any person or group of people
- Ensure that no preference of discrimination is made on the basis of gender, transgender, marital status, religious or ethical belief or its absence, colour, race, ethnicity, nationality, health, disability, age, sexual orientation, pregnancy, political opinion, employee association involvement, employment status, beneficiary status, family status, or the identity of a partner or relative
- Require supervisors and managers to be responsible and accountable for the implementation and integration of equal employment opportunities.

The goals of the Equal Employment Programme are to integrate equal employment principles and practices into Council's activities and culture and to realise the business benefits to Council of valuing and fully utilising its human resources. Council will continue its Equal Employment Programme which:

- Informs and raises the awareness of all staff on equal employment issues
- Monitors the working environment to ensure that it is free of all discrimination
- Ensures that employment-related decisions and processes are based on skills and abilities, and made on merit
- Encourages the fullest use of individual talents and skills
- Provides training in the management of diversity.

# *Rates*







## RATES FOR 2006/2007

### 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 2006/2007.

The information below is a summary of this information and shows an amount for each rate and charge, based on the information in the FIS. It also shows the 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

The following adjustments have been made to the rates used last year:

1. To align with the revised Revenue and Financing Policy:
  - a. The Business Eastbourne differential category factor has been further increased from 3.65 to 3.90. In future years this category will form part of the Business Suburban differential category
  - b. The differential category factor applying to Business Suburban properties has been reduced from 4.00 to 3.90, and the category factor applying to Business Central and Business Queensgate properties has been correspondingly reduced from 4.80 to 4.70
  - c. The targeted rates for water supply and for wastewater services are now set at the level required to recover 100% of the funding requirement. Previously only 90% (water) and 95% (wastewater) of the funding was recovered as a targeted rate, with the balance being recovered from the general rate.
2. A new **Targeted Rate** has been introduced for the purposes of recovering the costs involved in upgrading private drains to an acceptable standard. This rate will only apply to properties in the Waiwhetu area where upgrading work has been carried out by agreement with the ratepayer, and the ratepayer has chosen to pay for the work by way of a targeted rate.

### 3. SCHEDULE OF RATES FOR 2006/2007

#### A) Water Supply Rate

**Type:** Targeted Rate

**Rating Factor:** Separately used or inhabited part of a rating unit  
The charges for the 2006/07 rating year are as follows:

<b>Category</b>	<b>Charge</b>
Connected	\$287 per part
Serviceable but not Connected	\$143.50 per part

#### B) Wastewater Rate

**Type:** Targeted Rate

**Rating Factor:** Number of Water Closets or urinals  
The charges for the 2006/07 rating year are as follows:

<b>Category</b>	<b>Charge</b>
First WC or urinal per Rating Unit	\$352
Second and each subsequent WC or urinal per rating	\$176 each

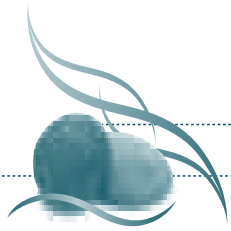
#### C) Jackson Street Programme Rate

**Type:** Targeted Rate

**Rating Factor:** Capital Value

The charge for the 2006/07 rating year is as follows:

<b>Category</b>	<b>Rate</b>
Rating units in any business category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street.	0.10320 cents per \$ of Capital Value



**D) Uniform Annual General Charge**

**Type:** General Rate  
**Rating Factor:** Separately used or inhabited part of a rating unit  
 The charges for the 2006/07 rating year are as follows:

<b>Category</b>	<b>Charge</b>
Each separately used or inhabited part of a rating unit	\$17

**E) General Rate**

**Type:** General Rate  
**Rating Factor:** Capital Value  
 The differential categories and charges for the 2006/07 rating year are as follows:

<b>Category</b>	<b>Ratio</b>	<b>Charge per \$ of Capital Value</b>
Residential (RE)	1.00	0.33470 cents
Rural (RU)	0.65	0.21750 cents
Business Accommodation (BA)	3.00	1.00400 cents
Business Central (BC)	4.70	1.57300 cents
Business Queensgate	4.70	1.57300 cents
Business Eastbourne (BE)	3.90	1.30520 cents
Business Suburban (BS)	3.90	1.30520 cents
Utility Networks (UN)	2.50	0.83670 cents
Community Facilities 1 (CF1)	1.00	0.33470 cents
Community Facilities 2 (CF2)	0.50	0.16730 cents
Community Facilities 3 (CF3)	2.50	0.83670 cents

**(F) Private Drains Rate**

**Type:** Targeted Rate  
**Rating Factor:** Cost of work to upgrade private drain  
 The charges for the 2006/07 rating year are as follows:

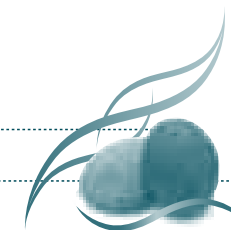
<b>Category</b>	<b>Charge</b>
Per dollar of the cost of the work to upgrade private drain	\$24.30 per year for five years

**4. SUMMARY OF REVENUE REQUIRED FROM RATES**

<b>Rate</b>	<b>Amount (Inclusive of GST) \$000s</b>	<b>Amount (Exclusive of GST) \$000s</b>
General Rate	57,528	51,137
Uniform Annual General Charge	675	600
<b>Targeted Rates:</b>		
Water Supply	11,205	9,960
Wastewater	14,685	13,053
Jackson St	90	80
Private Drains	6	5
<b>Total Rate Revenue</b>	<b>\$84,189</b>	<b>\$74,835</b>

Note: Total rate revenue includes rates charged on Council-owned properties.





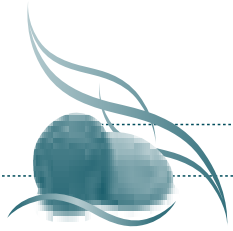
## 5. SUMMARY OF REVENUE REQUIRED BY DIFFERENTIAL GROUP

Differential Group	Rates 2006/07 \$000s	Total Rates by Category \$000s	Proportion Of Total Rates
Residential		52,629	62.52%
Rural		426	0.51%
Utility Networks		3,000	3.56%
<b>Business:</b>			
Accommodation	555		
Central	5,041		
Queensgate	4,394		
Eastbourne	186		
Suburban	17,065	27,241	32.36%
<b>Community Facilities:</b>			
1	661		
2	107		
3	125	893	1.05%
<b>Total Rates Levied</b>		<b>\$84,189</b>	<b>100.00%</b>

## 6. EXAMPLES OF RATES ON A RANGE OF TYPICAL PROPERTIES

The examples below show how a range of properties are affected by these proposed rates for the new year.

Category	Rateable Value (2004)	HCC Rates 2005/06 \$	Proposed Rates 2006/07		
			HCC Amount \$	Change Amount \$	%age
Residential (Average)	251,000	1,453	1,496	43	3%
Residential – Avalon	280,000	1,549	1,593	44	3%
Residential – 22 Flats	1,825,000	16,304	16,844	540	3%
Residential – Eastbourne	538,000	2,407	2,457	50	2%
Residential – Petone	240,000	1,416	1,459	43	3%
Residential – Taita	112,000	990	1,031	41	4%
Residential – Wainuiomata	150,000	1,117	1,158	41	4%
Rural (Full Services)	380,000	1,439	1,483	44	3%
Rural (No Services)	325,000	732	724	(8)	(1%)
Rural (Full Services)	700,000	2,131	2,179	48	2%
Rural (No Services)	150,000	354	343	(11)	(3%)
Bus. Accommodation	910,000	12,575	12,960	385	3%
Business Central	5,900,000	95,576	94,343	(1,233)	(1%)
Business Central	148,000	2,980	2,984	4	0%
Business Eastbourne	730,000	10,117	10,888	771	8%
Business Eastbourne	580,000	7,657	8,226	569	7%
Business Eastbourne	144,000	2,366	2,535	169	7%
Business Suburban	800,000	18,458	19,018	560	3%
Business Suburban – JSP	6,000,000	91,584	90,440	(1,144)	(1%)
Business Suburban – JSP	520,000	8,086	7,980	(106)	(1%)



## 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:

<b>Instalment No.</b>	<b>Due Date</b>
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%.

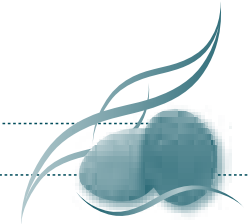
Provided that no penalty shall be added to any rate account:

- 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.

# *Summary of Council's Key Performance Indicators*



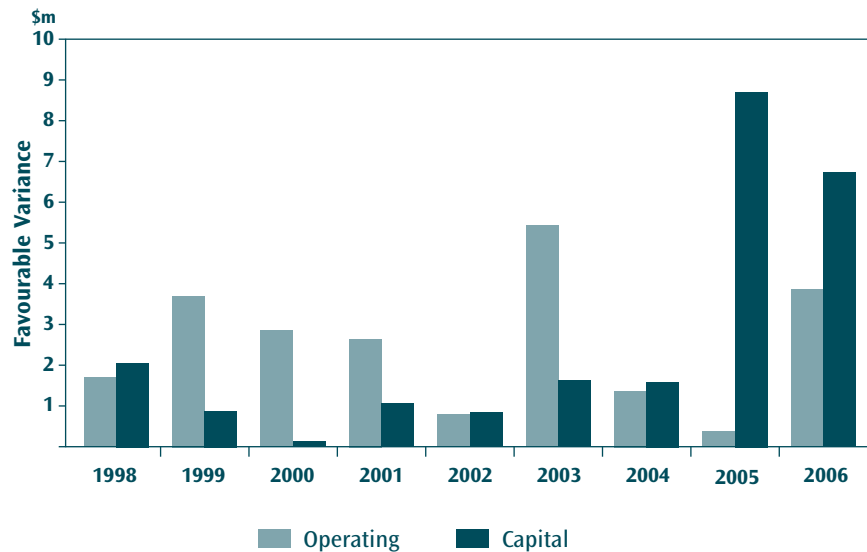




# SUMMARY OF COUNCIL'S KEY PERFORMANCE INDICATORS

## KEY PERFORMANCE INDICATORS

Council monitors six key performance indicators to ensure the organisation is being managed effectively. This section of the Community Plan provides historical and forecast information, targets, and benchmarks in relation to those performance indicators.

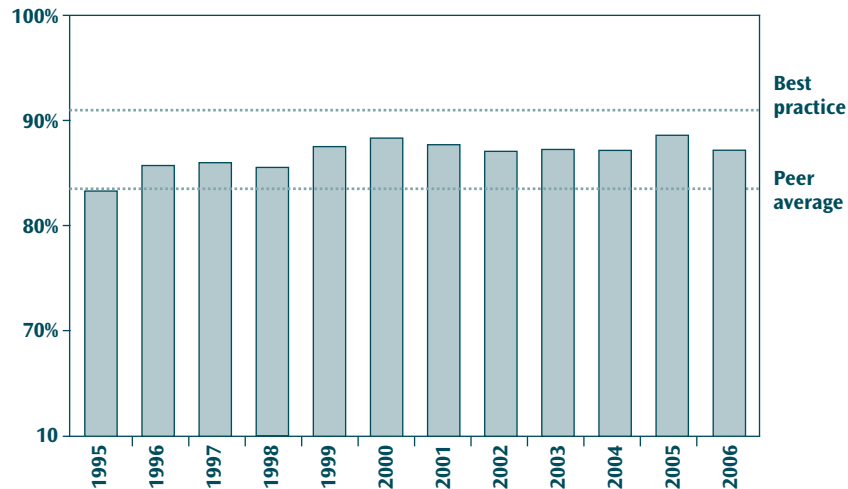
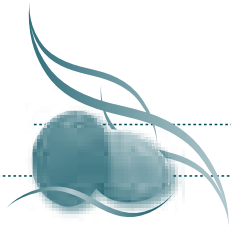


## BUDGET MANAGEMENT

Council has several strategic financial measures (refer Financial Strategy page 41) used to provide financial direction. The key performance indicator at an operational level is results compared to budget.

The graph highlights that Council has achieved operating and capital surpluses compared with budget every year since 1998. Although favourable capital results are typically owing to timing differences on project completion.

Results showing for 2006 are forecasts based on actual results to 31 May 2006.



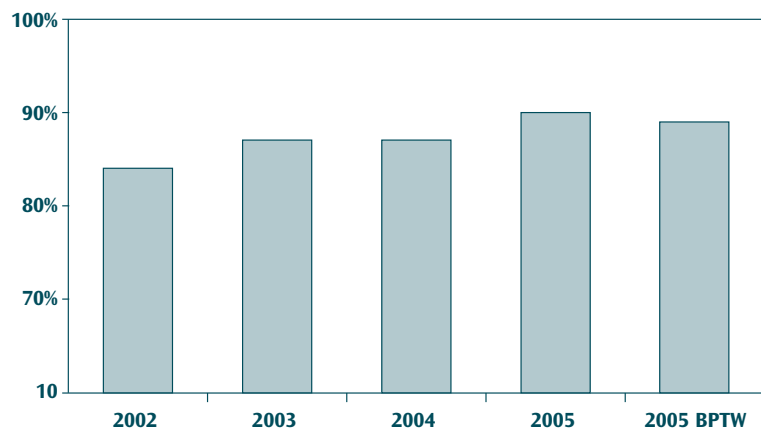
**CUSTOMER SATISFACTION**

Council monitors customer satisfaction levels with Council services annually by way of an independently conducted survey. The graph shows the steady improvement that has been achieved and results that are well above peer average.

Council budgets to maintain satisfaction levels of at least peer average, but has a long term target of achieving results regarded as best practice.

The best practice score shown on the graph (92%) is the result that would be achieved if customer satisfaction with every Council activity was higher than that achieved by peer local authorities.

Hutt City residents are currently more satisfied than residents in any other similar city in relation to nine of the 22 activities compared amongst peer local authorities.

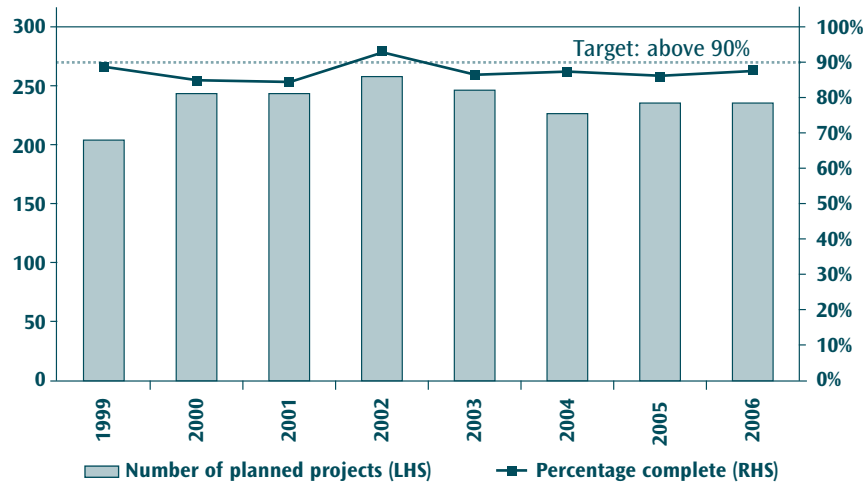
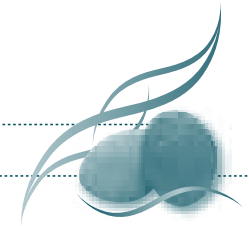


**STAFF SATISFACTION**

Council has been measuring overall satisfaction levels of staff for the last four years through independent surveys, and some improvement has been noted over that time.

Council budgets to generally remunerate staff at close to market average levels. Council endeavours to improve staff satisfaction by addressing staff concerns raised during the annual survey, where possible through modest cost solutions.

The two results shown for 2005 indicate further improvements, but are not necessarily directly comparable as different survey formats were used. During the 2006 financial year Council intends changing its key performance indicator from staff satisfaction to an overall measure of staff perceptions of the organisation based on the results of John Robertson & Associates "Best Places to Work" survey (BPTW).



**PROJECT COMPLETION**

Each year Council commits publicly to between 200 and 300 projects as described in the Community Plan.

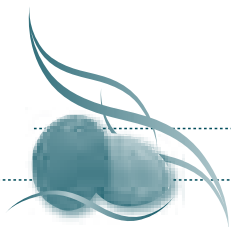
During the year a number of these projects will not be completed for a variety of reasons. Generally these uncompleted projects carry over into the next financial year and are completed then. Recently Council adopted a target of completing at least 90% of projects scheduled for the financial year.

Results showing for 2006 are forecasts based on actual results to 31 May 2006.

Year	Non-compliance instances	
	Insignificant	Significant
2004	9	–
2005	6	–
2006	One to date	–

**COMPLIANCE**

Council activity spans a wide range of businesses. As a result, compliance is a complex issue and essential to Council achieving its objectives. Council monitors its compliance with the law, contracts, consents, employment agreements, health and safety requirements and Council policy on a monthly basis. The target of having no significant non-compliance instances has been achieved each year. However, several breaches have been identified and remedied without any significant impact on Council operations.



YEAR	ASSESSOR	RESULT
1999	Business Excellence New Zealand	No recognition
2000	Business Excellence New Zealand	Local government runner up
2001	Business Excellence New Zealand	Local government winner
2002	Business Excellence New Zealand	Local government winner
2003	NZ Business Excellence Foundation	Progress award
2004	NZ Business Excellence Foundation	Commendation award
2005	No application made	–
2006	NZ Business Excellence Foundation	Target: Achievement award

### BUSINESS EXCELLENCE ASSESSMENTS

Council submits itself to full independent assessments by experts in organisation performance. These assessments are used to identify areas for improvement, and also to gauge Council's performance in relation to other local authorities and best practice private sector organisations internationally.

The table indicates the significant success Council has had in recent years.

No assessment was initiated in 2005 as Council took time out to prepare more thoroughly for the 2006 assessment. Council is targeting an Achievement award from the NZ Business Excellence foundation which is the highest level of award ever granted to a New Zealand local authority.

Results for 2006 will be announced in August 2006.



# *What is Council Planning for **Hutt City?***







## WHAT IS COUNCIL PLANNING FOR HUTT CITY?

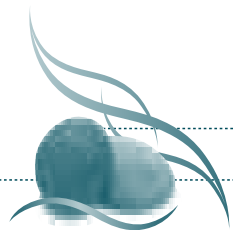
This section of the Community Plan details the contribution to Community Outcomes and strategic goals, performance measures and financial information for each of Council's significant activities. It gives the reasons why Council undertakes these activities, and the estimated revenue and expenditure for each activity.

The costs and sources of funds are shown for the whole of Council on this page and for each significant activity on pages 74 to 121. The borrowing needs and borrowing programmes for Council are indicated within the Statement of Prospective Net Debt Position on page 167 of the Forecast Financial Statements section of this Plan.

### WHOLE OF COUNCIL – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June

	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
Rates funding	68,421	71,094	73,867	76,022
User charges	23,324	23,182	24,864	25,517
Operating contributions	5,068	5,126	5,293	5,454
Capital contributions	6,614	4,170	3,678	3,918
Interest on investments	190	90	59	51
Other revenue	2,508	1,256	1,369	1,330
<b>Total revenue</b>	<b>106,125</b>	<b>104,918</b>	<b>109,130</b>	<b>112,292</b>
<b>EXPENDITURE</b>				
Employee costs	17,693	19,472	20,200	20,693
Operating costs	52,657	54,702	56,018	57,381
Interest expense	4,750	5,450	5,484	5,085
Depreciation	21,344	22,665	24,239	25,981
<b>Total expenditure</b>	<b>96,444</b>	<b>102,289</b>	<b>105,941</b>	<b>109,140</b>
<b>OPERATING SURPLUS BEFORE REVALUATION GAINS</b>	<b>9,681</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>
Revaluation gains	366	–	–	–
<b>SURPLUS BEFORE TAX</b>	<b>10,047</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>
Taxation	–	–	–	–
<b>SURPLUS AFTER TAX</b>	<b>10,047</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>



### WHOLE OF COUNCIL – PROSPECTIVE APPLICATION OF SURPLUS

For the year ending 30 June

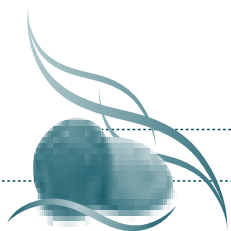
	Estimate	Budget	Forecast	Forecast
	2006	2007	2008	2009
	\$000s	\$000s	\$000s	\$000s
Transfer to/(from) loan funding	2,857	(1,591)	(386)	(819)
Revaluation gains	366	–	–	–
Transfer to reserves	210	50	(103)	53
Capital expenditure contributions	6,614	4,170	3,678	3,918
<b>SURPLUS AFTER TAX</b>	<b>10,047</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>

## GROUP PEOPLE

### COMMUNITY OUTCOMES

Hutt City residents identified the following outcomes as being important to Hutt City's future social and cultural well-being:

- A city that is safe
- Affordable access to community facilities that include arts, cultural and recreational options
- Encouragement of arts, cultural and sports activities including local, national and international events
- Everyone has a quality standard of affordable housing
- A built environment that is attractive, safe and healthy
- A more attractive Hutt City Council
- Development of the uniqueness of Hutt City including its history and culture
- More and better focus on the harbour, river and recreation opportunities
- A city that is friendly and welcoming where people experience a sense of belonging
- Encouraging community involvement and engagement with civic life
- More celebrations of tangata whenua and multi-culturalism in the city
- Migrants are well adapted to New Zealand way of living
- Everyone has access to a wide range of excellent education services
- Everyone has affordable access to services that improve health
- There is a seamless integration of health services
- Residents have a high standard of living.



**WHAT ROLE WILL HUTT CITY COUNCIL AND OTHER ORGANISATIONS PLAY IN ACHIEVING THESE COMMUNITY OUTCOMES?**

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	√	√	√	√	√	√
Police			√			√
Accident Compensation Corporation		√	√		√	
Child, Youth and Family	√	√	√			√
Hutt Valley Health	√				√	√
Te Puni Kokiri	√				√	
Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui	√		√		√	
Ministry of Social Development (Work and Income New Zealand)			√		√	
Te Taura Here o te Te Awakairangi	√		√		√	
Wellington Tenth Trust	√				√	
Greater Wellington – The Regional Council	√	√	√	√	√	√
Department of Conservation	√	√	√	√	√	√

**SIGNIFICANT ACTIVITIES**

	PAGE		PAGE
Activity 1: Libraries	74	Activity 4: Parks and Reserves	80
Activity 2: Museums	76	Activity 5: Community Support	82
Activity 3: Aquatics and Recreation	78	Activity 6: Community Property	84

**ACTIVITY FUNDING**

The rationale for funding decisions in relation to each significant activity is provided in Council’s Revenue and Financing Policy, which is contained in Volume 2 of this Community Plan.

**SIGNIFICANT NEGATIVE EFFECTS**

A range of actions or events may cause negative effects on the social, economic, environmental and cultural well-being of the community. However, at this stage there are no known significant negative effects surrounding Council’s planned key programmes and activities.

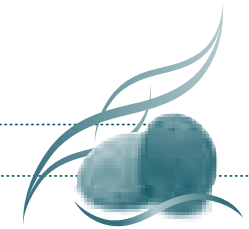
**GROUP OF ASSETS REQUIRED BY THE GROUP OF ACTIVITIES**

Council manages the community’s cultural, social and recreational assets in the form of libraries, pools, parks, and museums. These assets are maintained to agreed levels of services set out in the Asset Management Plan (see page 131).

**PERFORMANCE MEASURES**

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes ie, Communitrak and Quality of Life Survey which is used in reporting these measures.

In addition, officers report monthly on progress towards Council’s Key Performance Indicators (refer page 57 to 60) and other targets and measures as identified in Council’s monthly management reporting and subsequent Quarterly reporting. Quarterly reports are available on Hutt City’s website: [www.huttcity.info](http://www.huttcity.info)

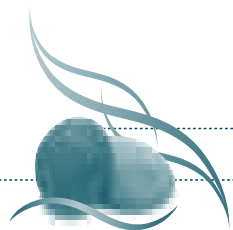


## CAPITAL PROJECTS

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the forecast Financial Statements contained in this Community Plan. Some project costs include a component that is incurred to provide for

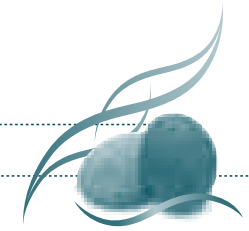
anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

For the year ending 30 June	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>01. LIBRARIES</b>										
<b>Maintenance</b>										
Library Stock Replacement	708	730	752	772	791	810	827	842	856	869
Replace Furniture And Equipment Programme All Libraries	40	41	42	44	45	46	47	48	48	49
<b>New/Improvements</b>										
Digitisation Project (Includes \$11,500 Carryover)	37	26	27							
PC's For Public Internet Access To Meet Increasing Demand	21	22	22							
Upgrade Buildings Security Systems	86									
Wainuiomata Library Interior Refurbishment	50									
<b>02. MUSEUMS</b>										
<b>Maintenance</b>										
Dowse Carpets And Soft Furnishings Gallery And Office						23				
Dowse External Clean Down Masonry And Glazing		1		1		1		1		1
Dowse Gallery Lighting	8		11		11		12		12	
Dowse HVAC Plant And BMS Renewal/Upgrades	2		2		2		2		2	
Dowse Office Equipment Photocopier/Fax Etc				2						2
Dowse Office Furniture		3			3			4		
Dowse Roof Plant And Roof Mounted Equipment			1			1			1	
Dowse Roof Touch Up Paint Including Guttering And Downpipes			7			8			8	
Petone Settlers Museum Alarm Upgrade	2									
Dowse Exterior Painting	60									

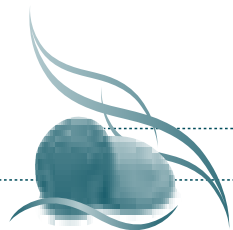


For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
Dowse Security System & Grease Trap (Carryover)	22									
<b>New/Improvements</b>										
Dowse New Artworks	15	15	16	16	17	17	18	18	18	18
Dowse Upgrade (Includes \$1,347,815 Carryover) (Subsidy:61%)	2848									
Petone Settlers Museum Collection Acquisitions	3	3	3	3	3	3	4	4	4	4
Petone Settlers Museum Internal Gallery Lighting	25									
Dowse Plant Replacement	279									
<b>03. AQUATICS &amp; RECREATION</b>										
<b>Maintenance</b>										
Eastbourne Pool Replace DE Feeder Pump	3									
Huia Pool Maintain Internal Doors	15									
Huia Pool Maintain Main Pool Ligthing Controls	10									
Huia Pool Maintain Swim City Ventilation	12									
Huia Pool Refurbish Learners Pool Toilets	20									
Huia Pool Replace Air Dryer	6									
Huia Pool Replace Filters					279					
McKenzie Pool Survey All Elements	15									
Naenae Pool Maintain Condenser	20									
Naenae Pool Maintain Outdoor Play Area	25									
Naenae Pool Maintain Switchboard	8									
Naenae Pool Refibreglass Slide	30									
Naenae Pool Replace Filters									302	
Naenae Pool Replace Pressurisation Vessel	15									
<b>Other Projects</b>		206	212	218	223	229	233	238	242	245
Stokes Valley Pool Refurbish DE Slurry Pump	25									
Stokes Valley Pool Replace Boiler Circulating Pump	2									

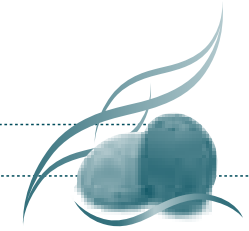




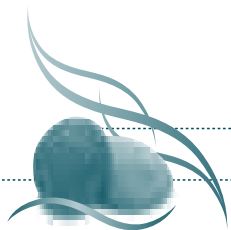
<b>For the year ending 30 June</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Stokes Valley Pool Replace Inlet Filters And Air Ducts	15									
Wainuiomata Pool Refurbish Deck	10									
Wainuiomata Pool Replace Filters							292			
Wainuiomata Pool Replace Poolside Concrete	20									
Wainuiomata Pool Replace Slide Pump	16									
Huia Pool - Replace Ventilation/Heat Plant (Carryover)	170									
<b>New/Improvements</b>										
Eastbourne Pool Install Disabled Toilet And Change Room			21							
Eastbourne Pool Install New Main Pool Shade Structure	10									
Huia Pool Install UV Water Treatment System			159							
Naenae Pool Construction Of A Health And Fitness Suite	300									
Naenae Pool Install Poolside Seating		21								
Naenae Pool Refurbish Reception And Entrance					223					
Other Projects						91	93	95	97	98
<b>04. PARKS &amp; RESERVES</b>										
<b>Maintenance</b>										
Building Maintenance (Sportsgrounds)	150	154	159	163	166	170	173	176	179	181
Esplanade Traffic Island Releveling	30									
Hikoikoi Reserve Bollards And Car Parking	42									
Other Maintenance Projects		77	79	81	83	85	87	88	89	91
Parks Road Maintenance	60	62	63	65	67	68	69	70	71	73
Parks Security System Replacement	20									
Percy To Frank Cameron Park Track Safety Renovation	60									
Playgrounds	110	113	116	119	122	125	127	129	131	133
Rotary Park Erosion Protection	42									
Seats And Bins	10	10	11	11	11	11	12	12	12	12



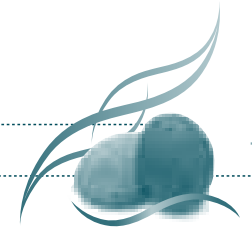
<b>For the year ending 30 June</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Signage And Interpretation	10	10	11	11	11	11	12	12	12	12
Street Tree Infrastructural Repairs	115	108	196	38	39	40	40	41	42	42
Williams Park Toilets Maintenance	20									
Windy Point Car Park Edge Stabilisation	15									
Sports Ground Drainage (Carryover)	26									
<b>New/Improvements</b>										
Avalon Park Redevelopment (Funded From Reserve Fund)		103	106							
Bollards To Prevent Vehicle Access To Reserves	5	5	5	5	6	6	6	6	6	6
Hugh Sinclair Park (Staged Development Of Park) (Funded From Reserve Fund)	50									
Hutt Park Development (Funded From Reserve Fund)	1130									
Naenae Park Pavilion/Car Park		123								
New Cemetery Development, Akatarawa Road (Stage 1)		257								
New Cemetery Development, Akatarawa Road (Stage 2)			264							
Petone Entrance Upgrade (Funded From Reserves Fund)		103								
Petone Hockey Training Facility	100									
Skateboard Park Melling -Shade And Seating	60									
Taita Lawn Cemetery Drainage And Headbeams	85									
Wainuiomata Garden Of Remembrance Extension		98								
Wainuiomata Garden Of Remembrance Toilets					111					
Walter Mildenhall Park Upgrade (Funded From Reserves Fund)			211							
Whiorau Reserve (Lowry Bay Reclamation) Repair Ripwrap	150									
Basketball Half Court (Carryover)	21									
Hutt Park Sports Zone & Village Green Development (Carryover)	628									
Percy Reserve SH2 Development (Carryover)	110									
Walter Nash Stadium Mortgage (Carryover)	180									

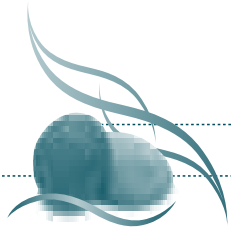


For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
<b>06. COMMUNITY PROPERTY</b>										
<b>Maintenance</b>										
Admin Building Interior And Exterior Repaint						113	115		179	
Administration Building Improvements	524									
Community Houses/Resource Centres (Various)	19									
Halls Interior And Exterior Repainting			196	192	150	226	208	229	71	
Halls Maintenance	114	300								
Housing Repaint Various Units	75									
Libraries Exterior Repainting									48	121
Libraries Roof Replacement & Floor Coverings	107									
Miscellaneous Rentals-Repaint Exterior At Bracken Street	25									
Other Projects		157	200	325	471	283	35	94	191	145
Petone Service Centre Repaint Interior/Replace Lighting	16									
Petone Settlers Museum Repaint Interior/Replace Carpet	23									
Public Toilets Complete Fitout For Disabled Toilet At Moera	5									
Residential Houses Exterior Repainting Projects			106				138	176		218
Te Awa Kairangi 47 Laing's Road -Repaint Exterior.	38									
<b>New/Improvements</b>										
Administration Building Install Sensor Lighting		6								
Administration Building Upgrade Council Chambers	100				555					
Avalon Park Pavilion Construct Veranda Roof Stage 2			42							
Avalon Park Pavilion New Veranda Roof Stage 1	30									
Belmont Community Hall Construct New Floor In Trestle Store		9								
Eastbourne Library Install Ceiling Fans	3									
Eastbourne Library Install New Opening Windows		4								
Housing Adelaide Street Construct New Paths To Front Doors	12									
Kensington Hall Upgrade			23							



<b>For the year ending 30 June</b>	<b>2007 \$000</b>	<b>2008 \$000</b>	<b>2009 \$000</b>	<b>2010 \$000</b>	<b>2011 \$000</b>	<b>2012 \$000</b>	<b>2013 \$000</b>	<b>2014 \$000</b>	<b>2015 \$000</b>	<b>2016 \$000</b>
Little Theatre Improve Access To Plantroom And Roof.			18							
Little Theatre Replace Light Fittings And Stage Lighting		31								
Moera Library Install Ceiling Fans		2								
Naenae Community Hall Install Storm Water Drainage	20									
Other Projects					83	130	74	100	95	151
Stokes Valley Library Complete Main Entry Lobby (Includes \$35,000 Carryover)	70									
Taita Library New Lobby Doors	10									
Wainuiomata Resource Centre Construct Exterior Porchway	6									
Wainuiomata Library New Building Security System	10									
Public Toilets Upgrade	250									





## ACTIVITY 1: LIBRARIES

### WHAT WE DO

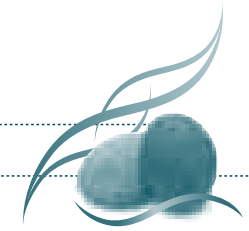
Council provides, maintains and manages one central and seven community libraries in Hutt City. These are run as a single city-wide service. Their primary role is to provide written and recorded media, such as books, videos, DVDs and access to electronic information. This material is used for many purposes including entertainment, learning and research.

### WHY WE DO IT

Council's provision of services and facilities in the form of libraries means that all citizens have access to information, knowledge, 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 education, literacy and recreation.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with library services	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Number of physical visits per annum	1,560,000
Number of virtual visits per annum	650,000
Available library items per capita	3
Books issued per capita	Equal to or above the national mean (NZ Metropolitan Library Comparative Data)
Percentage of residents who have used library services during the year	80%
Hours per week that libraries are open:	
Central = 66 hours	
Eastbourne = 45 hours	
Petone = 46.5	
Taita = 42 hours	
Naenae = 44 hours	
Moera = 39.5 hours	
Stokes Valley = 45 hours	
Wainuomata = 51.5	100%
Library stock turnover	Equal to or above the national mean (NZ Metropolitan Library Comparative Data)

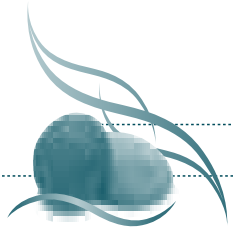


### LIBRARIES – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	405	399	413	423
Other revenue	8	1	1	1
<b>Total revenue</b>	<b>413</b>	<b>400</b>	<b>414</b>	<b>424</b>
<b>EXPENDITURE</b>				
Employee costs	2,539	2,717	2,785	2,853
Support costs	1,990	2,006	2,031	2,115
Operating costs	556	697	719	740
Interest expense	44	46	47	43
Depreciation	1,058	1,068	1,074	1,122
<b>Total expenditure</b>	<b>6,187</b>	<b>6,534</b>	<b>6,656</b>	<b>6,873</b>
<b>DEFICIT BEFORE TAX</b>	<b>(5,774)</b>	<b>(6,134)</b>	<b>(6,242)</b>	<b>(6,449)</b>

### LIBRARIES – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(5,774)	(6,134)	(6,242)	(6,449)
<b>Total rates funding requirement</b>	<b>(5,774)</b>	<b>(6,134)</b>	<b>(6,242)</b>	<b>(6,449)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(664)	(748)	(771)	(794)
Capital expenditure – improving services	(15)	(193)	(47)	(49)
Less depreciation	1,058	1,068	1,074	1,122
<b>Total loan funding (requirement)/surplus</b>	<b>379</b>	<b>127</b>	<b>256</b>	<b>279</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(5,395)</b>	<b>(6,007)</b>	<b>(5,986)</b>	<b>(6,170)</b>



## ACTIVITY 2: MUSEUMS

### WHAT WE DO

Council operates two museums. The Dowse Art Museum (which is currently being upgraded) collects and displays fine art as well as decorative and applied arts, and celebrates a wide range of creative activities from music to design and film. 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.

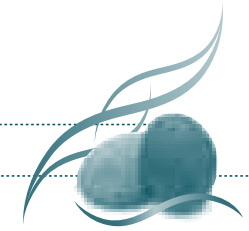
### WHY WE DO IT

Council's provision of museums means that people have access to 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 public pride and community values.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with Hutt City museums	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Number of visits per annum	120,000 (baseline & increasing)
Percentage of households visiting Petone Settlers Museum in the last 12 months	30%
Percentage of residents who agree there is a level of cultural richness and diversity in the city (perception)	60%
Percentage of visitors who attend learning programmes or public programmes	35%
Upgrade of Dowse Museum	Completed on time to budget and to the required standard



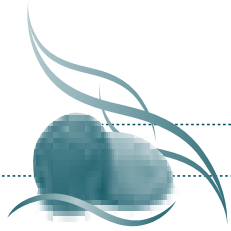


### MUSEUMS – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	118	197	307	315
Capital contributions	3,250	250	–	–
Other revenue	203	188	194	199
<b>Total revenue</b>	<b>3,571</b>	<b>635</b>	<b>501</b>	<b>514</b>
<b>EXPENDITURE</b>				
Employee costs	804	952	1,027	1,052
Support costs	464	494	500	520
Operating costs	528	760	758	754
Interest expense	67	70	71	66
Depreciation	128	236	250	264
<b>Total expenditure</b>	<b>1,991</b>	<b>2,512</b>	<b>2,606</b>	<b>2,656</b>
<b>SURPLUS/(DEFICIT) BEFORE TAX</b>	<b>1,580</b>	<b>(1,877)</b>	<b>(2,105)</b>	<b>(2,142)</b>

### MUSEUMS – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Surplus/(deficit) before tax	1,580	(1,877)	(2,105)	(2,142)
Add capital contributions	(3,250)	(250)	–	–
<b>Total rates funding requirement</b>	<b>(1,670)</b>	<b>(2,127)</b>	<b>(2,105)</b>	<b>(2,142)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure - maintaining services	(22)	(94)	(4)	(21)
Capital expenditure - improving services	(2,803)	(3,170)	(19)	(19)
Less capital contributions	3,250	250	–	–
Less depreciation	128	236	250	264
<b>Total loan funding (requirement)/surplus</b>	<b>553</b>	<b>(2,778)</b>	<b>227</b>	<b>224</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,117)</b>	<b>(4,905)</b>	<b>(1,878)</b>	<b>(1,918)</b>
<b>OPERATING PROJECTS</b>				
Dowse Signage Design Work (Carryover)		75	–	–
Petone Settlers Museum Feasibility Study		25	26	–



## ACTIVITY 3: AQUATICS AND RECREATION

### WHAT WE DO

Council provides and maintains six swimming pools in Hutt City as part of its portfolio of recreational facilities. It provides quality and accessible tuition in essential water safety and life skills. Recreational programmes are community-based and designed to encourage residents to engage in a range of recreational activities.

### WHY WE DO IT

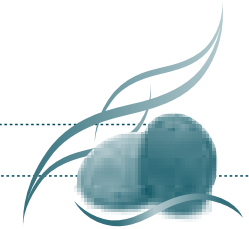
Participation in recreation, sports, fitness and cultural activities positively affects people's lives. Providing these high quality services at a low user cost makes them available to the whole community. Quality recreation services are essential to the quality of life for Hutt City citizens. Aquatics and recreational programmes also make an important contribution to creating an attractive area for people and businesses considering moving to Hutt City.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with pools	Equal to or above peer average
Resident use of pools	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
OSCAR accreditation for holiday programmes	Maintained
POOLSAFE accreditation for swimming pools	Maintained
Average net cost per user per visit	\$3.96

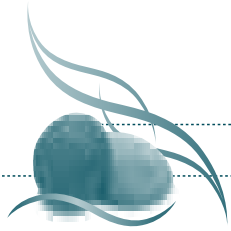
### AQUATICS AND RECREATION – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	1,351	1,452	1,781	1,824
Other revenue	224	178	184	189
<b>Total revenue</b>	<b>1,575</b>	<b>1,630</b>	<b>1,965</b>	<b>2,013</b>
<b>EXPENDITURE</b>				
Employee costs	1,880	1,928	2,166	2,219
Support costs	475	578	585	609
Operating costs	1,857	1,879	2,004	2,065
Interest expense	68	72	73	68
Depreciation	584	630	640	662
Total expenditure	4,864	5,087	5,468	5,623
<b>DEFICIT BEFORE TAX</b>	<b>(3,289)</b>	<b>(3,457)</b>	<b>(3,503)</b>	<b>(3,610)</b>



### AQUATICS AND RECREATION – PROSPECTIVE FUNDING STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(3,289)	(3,457)	(3,503)	(3,610)
<b>Total rates funding requirement</b>	<b>(3,289)</b>	<b>(3,457)</b>	<b>(3,503)</b>	<b>(3,610)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(418)	(437)	(206)	(212)
Capital expenditure – improving services	–	(310)	(21)	(181)
Less depreciation	584	630	640	662
Transfer from capital reserve	–	300	–	–
<b>Total loan funding (requirement)/surplus</b>	<b>166</b>	<b>183</b>	<b>413</b>	<b>269</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,123)</b>	<b>(3,274)</b>	<b>(3,090)</b>	<b>(3,341)</b>



## ACTIVITY 4: PARKS AND RESERVES

### WHAT WE DO

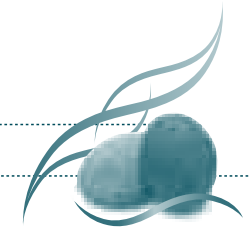
Council provides and maintains active and passive recreational facilities in Hutt City for the enjoyment and well-being of the public. These are largely free of charge. Recreation areas are natural and built with the majority of effort targeted at maintenance and returning areas to their natural state. "Parks and Reserves" also includes Council's cemeteries.

### WHY WE DO IT

The provision and maintenance of parks, reserves and street gardens create a pleasant environment in which to live, work and play, which is an important part of the Vision for the city. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with sports grounds	Equal to or above peer average
Resident satisfaction with parks, reserves and gardens	Equal to or above peer average
Resident satisfaction with cemeteries	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Programmes and projects delivered on time and to quality	90%
Sports fields meet the standard agreed with sports codes	95%
Area of parks and reserves per thousand of population	53 hectares
Percentage of households that have used or visited parks, reserves or gardens in the last 12 months	85%
Playgrounds maintained and developed to meet the agreed quality and safety standards as stated in Councils 'Contract for Service'	100%
Street gardens, parks and reserves and cemeteries maintained and developed to meet the agreed quality and safety standards as stated in Councils 'Contract for Service'	100%


**PARKS AND RESERVES – PROSPECTIVE INCOME STATEMENT**

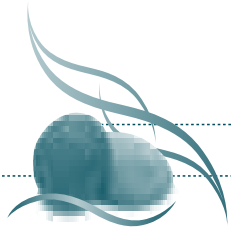
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	783	883	913	935
Capital contributions	–	160	165	169
Other revenue	5	6	6	6
<b>Total revenue</b>	<b>788</b>	<b>1,049</b>	<b>1,084</b>	<b>1,110</b>
<b>EXPENDITURE</b>				
Employee costs	466	534	547	561
Support costs	413	496	502	523
Operating costs	6,633	6,690	6,719	6,902
Interest expense	537	562	569	528
Depreciation	932	1,017	1,087	1,164
<b>Total expenditure</b>	<b>8,981</b>	<b>9,299</b>	<b>9,424</b>	<b>9,678</b>
<b>DEFICIT BEFORE TAX</b>	<b>(8,193)</b>	<b>(8,250)</b>	<b>(8,340)</b>	<b>(8,568)</b>

**PARKS AND RESERVES – PROSPECTIVE FUNDING REQUIREMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(8,193)	(8,250)	(8,340)	(8,568)
Add capital contributions	–	(160)	(165)	(169)
<b>Total rates funding requirement</b>	<b>(8,193)</b>	<b>(8,410)</b>	<b>(8,505)</b>	<b>(8,737)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(484)	(710)	(535)	(634)
Capital expenditure – improving services	(1,432)	(2,519)	(689)	(587)
Less capital contributions	–	160	165	169
Less depreciation	932	1,017	1,087	1,164
Transfer from capital reserve	160	1,180	–	–
<b>Total loan funding requirement</b>	<b>(824)</b>	<b>(872)</b>	<b>28</b>	<b>112</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(9,017)</b>	<b>(9,282)</b>	<b>(8,477)</b>	<b>(8,625)</b>

**OPERATING PROJECTS**

Hutt River trail	10	10	11
Korohiwa Investigation	100	–	–
Mitchell Park Feasibility Study	30	–	–
North Island Brown Kiwi Project	5	5	5
Problem Tree Removal Ferry Road	150	–	–
Problem Tree Removal Sunny Grove	–	154	–
Walter Nash Stadium Feasibility Study	30	–	–
Walter Nash Stadium Grant	45	46	48



## ACTIVITY 5: COMMUNITY SUPPORT

### WHAT WE DO

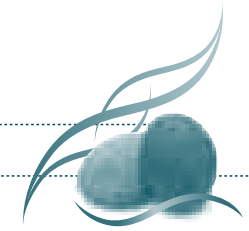
Council seeks to support its community through appropriately responding to community needs. This support includes facilitation, advocacy, consultation and service provision, and allocation of grants to community organisations and groups. These services are carried out through Council's Community Development Division or through private contracts. Council has increased focus on working with Government Agencies and utilising funding from externally sourced contracts to provide services to the community.

### WHY WE DO IT

Council has a policy of understanding and identifying its communities and their issues. Through greater knowledge of local needs, Council is able to suitably respond to social issues affecting the members and groups of communities it represents. The support that Council contributes assists groups to achieve their goals where it would not otherwise have been possible owing to lack of resources.

### HOW WE DO IT

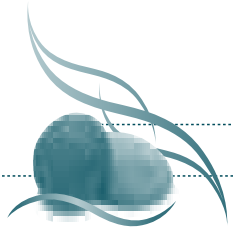
2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net operating expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Customers are satisfied with the level of information and advice received from Community Development	90%
<b>LEVEL OF SERVICE MEASURE</b>	
Inter-agency (eg Central Government) contracts are negotiated in a timely manner	100%
Service specification have been achieved to standard and within budget	As outlined in inter-agency contracts
Inter-agency programmes of action or strategic plans have been developed and implemented with key milestones achieved (eg Department of Labour – Strengthen Services and Support to New Settlers)	At least 3 programmes or plans


**COMMUNITY SUPPORT – PROSPECTIVE INCOME STATEMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	20	20	21	21
Other revenue	226	185	191	196
<b>Total revenue</b>	<b>246</b>	<b>205</b>	<b>212</b>	<b>217</b>
<b>EXPENDITURE</b>				
Employee costs	493	581	596	610
Support costs	338	444	450	468
Operating costs	1,272	1,271	1,290	1,329
<b>Total expenditure</b>	<b>2,103</b>	<b>2,296</b>	<b>2,336</b>	<b>2,407</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,857)</b>	<b>(2,091)</b>	<b>(2,124)</b>	<b>(2,190)</b>

**COMMUNITY SUPPORT – PROSPECTIVE FUNDING REQUIREMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(1,857)	(2,091)	(2,124)	(2,190)
<b>Total rates funding requirement</b>	<b>(1,857)</b>	<b>(2,091)</b>	<b>(2,124)</b>	<b>(2,190)</b>
<b>TOTAL FUNDING REQUIREMENT</b>				
	<b>(1,857)</b>	<b>(2,091)</b>	<b>(2,124)</b>	<b>(2,190)</b>
<b>OPERATING PROJECTS</b>				
Arts and Culture		74	76	79
Citizens Advice Bureau		59	61	63
Community Development Fund		206	212	219
Community Houses		188	194	200
Heritage Projects		30	31	32
Marae		100	103	106
Naenae Community Centre Study (Carryover)		20	–	–
Scholarships		10	10	11
Youth Centre		117	121	124
Youth Infusion		10	10	11



## ACTIVITY 6: COMMUNITY PROPERTY

### WHAT WE DO

Council manages a variety of properties for use by the community. The main portfolios are community and civic halls and venues, public toilets, community houses, Council’s administration building, and housing units for the elderly and socially disadvantaged.

Progressive reviews of these facilities ensure they remain efficient and meet changing public requirements.

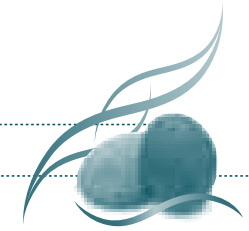
### WHY WE DO IT

Community and civic halls and venues provide an environment for a diverse range of social, cultural and community-based activities, including clubs, indoor sports, band practise, arts and theatre. Public toilets are provided which are physically accessible, appropriately located, designed and built, and cleaned and maintained to standards that safeguard public health. Council continues to assess its property needs in terms of the properties it currently owns and occupies. This may result in upgrades of properties and sales of surplus assets from time to time.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
Sales targets established within the assets sales programme by Council	Achieved
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with public halls	Equal to or above peer average
Resident satisfaction with public toilets	Equal to or above peer average
Tenant satisfaction with Council accommodation	90%
<b>LEVEL OF SERVICE MEASURE</b>	
Occupancy rate of rental housing	90%
Percentage of housing units occupied by elderly and socially disadvantaged (in accordance with Council Policy)	90%
Rentals are set at the market rate	100%




**COMMUNITY PROPERTY – PROSPECTIVE INCOME STATEMENT**

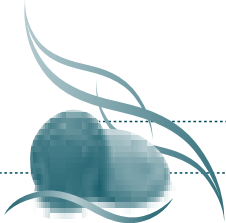
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	1,704	1,749	1,829	1,873
<b>Total revenue</b>	<b>1,704</b>	<b>1,749</b>	<b>1,829</b>	<b>1,873</b>
<b>EXPENDITURE</b>				
Employee costs	234	257	263	270
Support costs	(1,160)	(1,176)	(1,191)	(1,239)
Operating costs	2,652	3,062	3,110	3,131
Interest expense	322	338	337	307
Depreciation	1,402	1,431	1,484	1,546
<b>Total expenditure</b>	<b>3,450</b>	<b>3,912</b>	<b>4,003</b>	<b>4,015</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,746)</b>	<b>(2,163)</b>	<b>(2,174)</b>	<b>(2,142)</b>

**COMMUNITY PROPERTY – PROSPECTIVE FUNDING REQUIREMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(1,746)	(2,163)	(2,174)	(2,142)
<b>Total rates funding requirement</b>	<b>(1,746)</b>	<b>(2,163)</b>	<b>(2,174)</b>	<b>(2,142)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure - maintaining services	(456)	(946)	(457)	(501)
Capital expenditure - improving services	(352)	(511)	(52)	(84)
Less depreciation	1,402	1,431	1,484	1,546
Less asset sales	271	4,760	3,190	1,244
<b>Total loan funding surplus</b>	<b>865</b>	<b>4,734</b>	<b>4,165</b>	<b>2,205</b>
<b>TOTAL FUNDING SURPLUS/ (REQUIREMENT)</b>	<b>(881)</b>	<b>2,571</b>	<b>1,991</b>	<b>63</b>

**OPERATING PROJECTS**

Admin Building Earthquake Strength Assessment	–	62	–
Property CCO costs	275	211	217
Community Halls Review	30	–	–

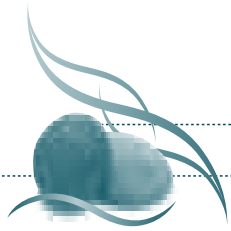


## GROUP UTILITY SERVICES

### COMMUNITY OUTCOME

Hutt City residents identified the following outcomes as being important to Hutt City:

- Effective and efficient public transport that results in increased use of public transport
- Enhanced roading systems particularly State Highway 2, Cross Valley Link, State Highway 1 and Hutt CBD
- Continual upgrade and provision for growth to make Hutt City interesting and attractive to people
- More investment in sustainable transportation solutions – public transport, car pools, bicycle lanes
- Affordable access to community facilities that include arts, cultural and recreational options
- A diverse natural environment that is accessible, enjoyable and safe
- Everyone has a quality standard of affordable housing
- Roding, water and waste (including recycling) work and are accessible to all
- Maintenance and continual upgrade of services to allow for security and growth.



**WHAT ROLE WILL HUTT CITY COUNCIL AND OTHER ORGANISATIONS PLAY IN ACHIEVING THIS COMMUNITY OUTCOME?**

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	√	√	√			√
Greater Wellington – The Regional Council		√				√
Upper Hutt City Council	√	√				
Ministry of Health				√		√
Private Sector Contractors			√			
Land Transport New Zealand		√				

**SIGNIFICANT ACTIVITIES**

	PAGE
Activity 7: Roading and Traffic	96
Activity 8: Water Supply	98
Activity 9: Wastewater	100
Activity 10: Stormwater	102
Activity 11: Solid Waste	104

**ACTIVITY FUNDING**

The rationale for funding decisions in relation to each significant activity is provided in Council’s Revenue and Financing Policy, which is contained in Volume 2 of this Community Plan.

**SIGNIFICANT NEGATIVE EFFECTS**

A range of actions or events may cause negative effects on the social, economic, environmental and cultural well-being of the community. Examples are provided below:

**Stormwater and Wastewater**

Extreme weather events may exceed the capacity of existing stormwater and wastewater drainage systems resulting in flooding, damage to property, and wastewater overflows.

This Community Plan includes operating programmes and capital projects designed to improve drainage capacity across the city and target identified problems areas.

**Water Supply**

Any extensive abstraction of water may have adverse effects on natural environments and ecosystems, whilst water shortages or poor quality drinking water may affect community health.

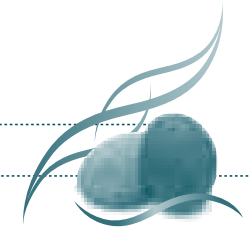
Council works closely with Greater Wellington Regional Council to ensure abstractions remain within resource consent limits, and has programmes and projects in place to ensure water quality meets New Zealand Drinking Water standards. Water conservation is promoted and planning is underway to ensure that available water supplies keep pace with projected regional growth and demand.

**Solid Waste**

Uncontained refuse and litter can have detrimental health and environmental effects. Council has in place educational programmes to promote waste reduction, reuse and recycling. For the disposal of residual waste, Council owns and operates landfills which fully comply with resource Consent conditions and are managed and operated to “best practice” standards.

**Roading**

Construction of new, and maintenance of existing, roads can potentially give rise to noise, dust, and traffic congestion, whilst road accidents can and will occur even on the most efficient road network.



Council roading contracts are governed by strict health safety and quality requirements to mitigate the effects of road works. This Community Plan outlines operating programmes and capital projects designed to promote traffic safety and reduce accident numbers and severity.

### **GROUP OF ASSETS REQUIRED BY THE GROUP OF ACTIVITIES**

Council manages the community's infrastructural assets in the form of water and wastewater collection and distribution, as well as roading networks.

### **PERFORMANCE MEASURES**

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes ie, Communitrak and Quality of Life Survey which is used in reporting these measures.

In addition, officers report monthly on progress towards Council's Key Performance Indicators (refer page 57 to 60) and other targets and measures as identified in Council's monthly management reporting and subsequent Quarterly reporting. Quarterly reports are available on Hutt City's website: [www.huttcity.info](http://www.huttcity.info)

### **FUTURE INFRASTRUCTURE IMPROVEMENTS**

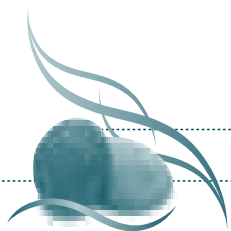
Council has provisionally earmarked \$25 million to cover a number of future roading and drainage development projects which are seen as desirable, but for which at this stage we cannot predict likely construction timing or budget. While provisions have been included in 2014/15 for stormwater and 2015/16 for roading there can be no commitment on any specific project, but in outline, projects could include:

#### **Roading**

An eastern ring road to reduce congestion within the CBD, investigation and other works for a link road from Gracefield to Granada including investigation/design/consent and construction of a Valley Floor Connector, and subsequent upgrade of The Esplanade, designed to limit heavy traffic and promote the amenity value of the foreshore.

#### **Drainage**

Major flood protection works will be required for the Awamutu Stream, and for the Waiwhetu Stream in conjunction with the Wellington Regional Council. Once existing work on Black Creek Wainuiomata is complete, an assessment will be undertaken to determine the efficacy of further upgrades on that project.



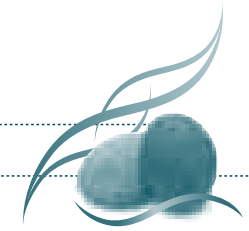
## CAPITAL PROJECTS

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the forecast Financial Statements contained in this Community Plan. Some project costs include a component that is incurred to provide for anticipated future increases in demand for Council facilities as a result of growth in the

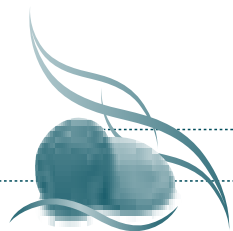
city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

For the roading activity road projects will qualify for Land Transport New Zealand subsidies of varying rates, but typically 50%.

For the year ending 30 June	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>07. ROADING AND TRAFFIC</b>										
<b>Maintenance</b>										
Area Wide Pavement Treatment (Subsidy:46%)	297	438	448	376	383	391	397	403	408	414
Carpark Resurfacing	60	51	53	54	55	56	57	58	58	59
Footpath Resurfacing And Replacement	200	205	210	215	219	223	227	230	233	236
Main Road Streetlighting Renewal (Subsidy:50%)	15									
Minor Road And Footpath Construction	70	72	74	75	77	78	79	81	82	83
Minor Safety Works (Subsidy:50%)	50	51	53	54	55	56	57	58	58	59
Parking Meter Replacement	20	21	21	21	22	22	23	23	23	24
Pavement Surfacing (Subsidy:46%)	4205	4068	4163	4189	4271	4352	4423	4489	4547	4610
Pay And Display				45	107					
Pedestrian Crossing Renewal	30	31	32	32	33	33	34	35	35	35
Road Reconstruction (Aurora Street) (Subsidy:16%)	490									
Road Reconstruction (Heretonga Street 08/09) (Subsidy:18%)			399		445		412		423	
Road Smoothing (Subsidy:54%)	398	521	533	376	383	391	397	403	408	414
Street Name Sign Replacement (Subsidy:46%)	40	41	42	21	22	22	23	23	23	24
Streetlight Lantern Replacement Programme (Subsidy:46%)	50	51	53	54	55	56	57	58	58	59
Streetlight Standard Replacement (Subsidy:46%)	10	10	11	11	11	11	11	12	12	12
Traffic Signal Replacement (Subsidy:46%)	150	205	210	193	164	112	113	115	233	236
Wainuiomata Hill Rd Safety Seal (Subsidy:46%)			525	537	548	558	567	576	583	591

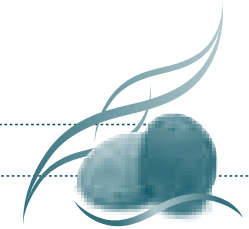


For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
<b>New/Improvements</b>										
Broad Band Ducting	20	21	21	21	22	22	23	23	23	24
Cycleway Network Development (Subsidy:54%)	50	51	53	54	55					
Days Bay Signalised Crossing					219					
Eastern Bays Walkway (Subsidy:55%)	80	82	84	75	77	78	79	81	82	83
Hutt Rd/Railway Ave/Parliament St Intersection Improvements (Subsidy:56%)		257								
Land Purchase For Roads	10	10	11	11	11	11	11	12	12	12
Local Area Traffic Management (Subsidy:50%)	50	51	53	54	55	56	57	58	58	59
Main Road Streetlighting (Subsidy:50%)	15									
New Bus Shelters (Subsidy:100%)	30	31	32	32	33	33	34	35	35	35
New Pedestrian Crossings (Subsidy:51%)	50	51	53	54	55	56	57	58	58	59
Reconstruction Improvements	125		84		88		91		93	
State Highway 2 Upgrade	50	51	53							
Sub-Standard Road Upgrading	250	257			274	279	284	288	292	296
Traffic Safety Improvements (Subsidy:50%)	500	513	525	537	548	558	567	576	583	591
Wainuiomata Hill Rd Footpath/Cycleway Investigation (Subsidy:46%)	25									
Witako/Waterloo Rd Intersection Improvements (Subsidy:56%)							284			
Roading Network Improvements										11820
Silverstream Bridge strengthening (Carryover) (Subsidy:55%)	425									
Moores Valley Bridge Replacement (Carryover) (Subsidy:73%)	538									
<b>08. WATER SUPPLY</b>										
<b>Maintenance</b>										
Davis Gr Main/Rider/Services	70									
Fraser St Main/Rider/Services (Lees Davis)	86									
Hay St Main/Rider/Services	93									

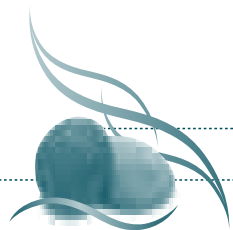


<b>For the year ending 30 June</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Jackson St Main/Rider/Services (Petone Ave Beach)	535									
James Grove Main/Services	107									
Minor Works Discrete	40									
Minor Works Non Discrete	90									
Normandale Pump Switchboard	50									
Other Maintenance Projects		1217	1398	1506	1848	1954	2086	2209	2324	2376
Queen St Rider/Services	75									
Reservoir Hatch Security	20									
Scada Renewals	50									
<b>New/Improvements</b>										
Eastern Bays Reservoir Upgrade Design/Consents										198
Emergency Supply Point (Valving)			76							
Hutt Rd Western Hutt Rd Link Main Sh2	180									
Kelson/Fairway Dr Link Main			325							
Naenae Reservoir (Seismic Update)	500									
Normandale Reservoir Upgrade								164	388	1586
Petone/Hutt Link Mains (Tama North)						479				
Reservoir Seismic Update (General)		521								
Sweetacres Reservoir						958				
Sweetacres Watermain							493			
Western Hills Pump Systems	115									
Gracefield Reservoir Structural Upgrade (Carryover)	400									
<b>09. WASTEWATER</b>										
<b>Maintenance</b>										
Local Minor Works Pipes And Pumping Stations	170									
Local Pressure Testing Of Sewers	300									

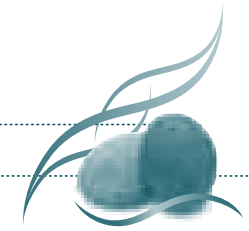




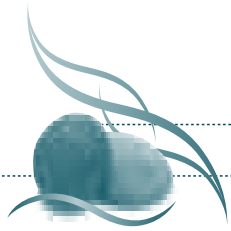
<b>For the year ending 30 June</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Local Pumping Station Component Replacement	30									
Local SCADA Hardware Replacement	40									
Local Sewer Renewal Leighton Avenue Catchment	820									
Local Sewer Renewal Heketara Street	120									
Local Sewer Renewal Jackson Street (With Roothing Work)	300									
Local Sewer Renewal State Highway Two (Dowse Drive)	100									
Local Other Maintenance Projects		1966	2163	2235	2338	2415	2469	2614	2623	2762
Trunk Non-DBO P/S Component Replacement (Subsidy:31%)	10									
Trunk DBO Asset Replacement Fund (Subsidy:25%)	650	677	705	787	1162	1198	1232	1264	1293	925
Trunk DBO Network Cyclic Replacement (Subsidy:31%)	550	313	325	337	349	359	370	379	388	397
Trunk Main Outfall Sewer Renewal (Subsidy:28%)							14784			
Trunk DBO Pipeline Cyclic Replacement (Carryover) (Subsidy:32%)	191									
Te Marua Pumping Station Rising Main (Carryover) (Subsidy:51%)	235									
<b>New/Improvements</b>										
Local Improvement Projects (Provisional)				169	291	300	246	253	259	264
Malone Rd Catchment Capacity Improvement	540		325							
Pumping Station Mahina Bay Flowmeter					20					
Trunk Non-DBO Improvement Projects (Provisional)				11	12	12	12	13	13	13
Trunk Non-DBO Flow Meter In Te Marua					20					
Trunk Excess Flow Management (Subsidy:31%)	120									
Trunk Main Outfall Sewer Boost Pumping Station (Subsidy:31%)							9856			
Trunk Type A Asset Development (Includes \$300,000 Carryover) (Subsidy:31%)	730	208	217	56		60		63	129	132
Trunk Type B Network Development (Includes \$900,000 Carryover) (Subsidy:33%)	1525	365	921	450	465	479	62	126	129	463



For the year ending 30 June	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000	\$000
<b>10. STORMWATER</b>										
<b>Maintenance</b>										
Heketara Street/Pukatea St (Eastbourne)	120									
Minor Asset Renewals	90									
Pump Stations	20									
Scada	20	26	27	28	41	30	31	32	32	33
Seddon Street (Naenae)	110									
Total Renewal (Discrete)		78	81	84	87	90	92	95	97	99
Total Renewal (Non Discrete)		344	361	386	416	450	493	542	599	664
<b>New/Improvements</b>										
Awamutu Stream	185	198	1084	393						
Black Creek Wainuiomata	1000				1743					
Capital Other Projects			379	393	407	419	431	442	453	463
Cheviot Road (Lowry Bay)		396								
Elizabeth Street (Moera)		261								
Esplanade								442		
Gracefield Pump Station	1900									
Grounsell Crescent		104								
Hautana Street (Central Hutt)		313								
Hutt River Backflow Electrical						240		253		264
Hutt River Floodplain	150	156	271	281	291	300		316		331
Jackson Street	480	365								
Leighton Ave		208								
Manuka Street (Stokes Valley)		391								
Manuka Street/Zeala Grove		261								
Melling Road (Central Hutt)		104								
Melling Road Pump Station										1322



For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
Moana Road (Days Bay)		261								
Percy Cameron						419				
Rutherford St										1322
Waiwhetu Stream Flood Study	60									
Walter Road (Eastbourne)		261								
Woodvale Grove		198								
Stormwater & Drainage Improvements									12930	
Opahu Stream pumping station construction (Carryover)	900									
<b>11. SOLID WASTE</b>										
<b>New/Improvements</b>										
Silverstream Landfill Stage One		103								
Silverstream Landfill Stage Two (Includes \$400,000 Carryover)	3600	2514	1948	736	2080	1324	1169	2233	2411	2011
Wainuiomata Landfill Closure Costs						114				
Wainuiomata Landfill	160	227								



## ACTIVITY 7: ROADING AND TRAFFIC

### WHAT WE DO

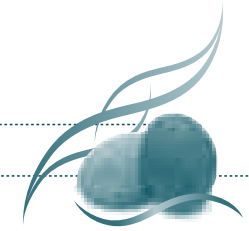
This activity includes the professional and technical work involved in providing ongoing management of the city’s roading network. It also provides for improvement and day-to-day operation and maintenance of footpaths, road pavement/reconstruction/upgrades, traffic signals, signs, street lighting, parking services, bridge maintenance and various road safety activities. These initiatives are supported through policy development, forward planning, road safety co-ordination, and various quality and safety management systems.

### WHY WE DO IT

Public ownership of the road corridor ensures appropriate property access and freedom of travel throughout the area for all citizens. Sealed roads, footpaths and street lights are provided for the efficient and safe travel of motor vehicles, bicycles and pedestrians.

### HOW WE DO IT

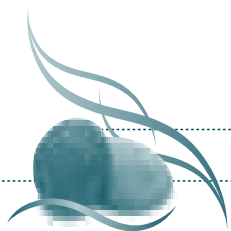
2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with street lighting	Equal to or above peer average
Resident satisfaction with road and gutters being free of litter	Equal to or above peer average
Resident satisfaction with traffic control	Equal to or above peer average
Resident satisfaction with footpaths	Equal to or above peer average
Resident satisfaction with roads	Equal to or above peer average
Resident satisfaction with parking in and around Hutt City	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Programmes (opex) and Projects (Capex) delivered on time and to quality	90%
Percentage of residents satisfied with the safety and convenience of movement around city streets	Equal to or above peer average
Road Condition Index (measures – cracking, flushing, potholes and ravelling –chip surfaced)	Hold or improve rating
Smooth Travel Exposure – (nationally accepted measure of road roughness)	Hold or improve rating
Accident trend	Reducing trend over 10 years


**ROADING AND TRAFFIC – PROSPECTIVE INCOME STATEMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	2,642	2,650	2,740	2,806
Operating contributions	2,880	2,823	2,896	2,964
Capital contributions	3,363	3,355	2,996	3,219
Other revenue	518	530	548	561
<b>Total revenue</b>	<b>9,403</b>	<b>9,358</b>	<b>9,180</b>	<b>9,550</b>
<b>EXPENDITURE</b>				
Employee costs	995	935	958	982
Support costs	1,962	1,895	1,919	1,997
Operating costs	8,138	8,624	8,715	8,919
Interest expense	1,703	1,790	1,812	1,681
Depreciation	6,830	7,072	7,526	8,045
<b>Total expenditure</b>	<b>19,628</b>	<b>20,316</b>	<b>20,930</b>	<b>21,624</b>
<b>Deficit Before Tax</b>	<b>(10,225)</b>	<b>(10,958)</b>	<b>(11,750)</b>	<b>(12,074)</b>

**ROADING AND TRAFFIC – PROSPECTIVE FUNDING REQUIREMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(10,225)	(10,958)	(11,750)	(12,074)
Add capital contributions	(3,363)	(3,355)	(2,996)	(3,219)
<b>Total rates funding requirement</b>	<b>(13,588)</b>	<b>(14,313)</b>	<b>(14,746)</b>	<b>(15,293)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(5,647)	(6,085)	(5,766)	(6,825)
Capital expenditure – improving services	(3,069)	(2,218)	(1,375)	(966)
Less capital contributions	3,363	3,355	2,996	3,219
Less depreciation	6,830	7,072	7,526	8,045
Transfer from capital reserve	–	–	–	–
<b>Total loan funding surplus</b>	<b>1,477</b>	<b>2,124</b>	<b>3,381</b>	<b>3,473</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(12,111)</b>	<b>(12,189)</b>	<b>(11,365)</b>	<b>(11,820)</b>
<b>OPERATING PROJECTS</b>				
Cross Valley Link study		50	–	–
Ring Road Study		30	–	–



## ACTIVITY 8: WATER SUPPLY

### WHAT WE DO

We provide a sustainable and high quality water supply to the community for domestic and commercial use. Council purchases bulk water from Greater Wellington – the Regional Council, which it distributes to the community through the city’s water supply system. Council monitors water quality and plans for the future water supply needs of the city including maintenance and upgrades to assets to maintain required service levels.

### WHY WE DO IT

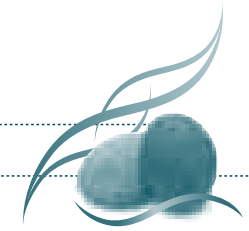
The supply of high quality, affordable water contributes to:

- The health of the community
- Community safety through the fire-fighting capability of the water supply system
- Industrial and residential development.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with water supply	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Programmes (opex) and Projects (Capex) delivered on time and to quality	90%
NZ drinking water	Full compliance with NZ Drinking Water Standards

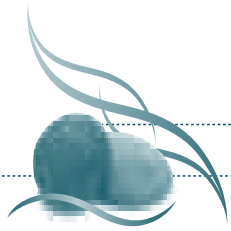
2006/07 – 2015/16	TARGET
Water supply reliability	Fewer than 4 unplanned supply cuts per 100 connections
Water supply quality	To maintain a ‘B’ grading from the Ministry of Health for the Hutt City water supply distribution (B means satisfactory, low level of risk. Most of Hutt City water supply is unchlorinated. Chlorination of the water supply would be required to achieve an ‘A’ grading)
Water pressure and flow	At least 95% of properties achieve target standards for pressure and flow (individual properties deemed to comply except where investigation shows non compliance)
Responsiveness to water supply disruptions	96% of requests responded to within 1 hour of notification
Maintain the average un-metered water consumption in Hutt City	Less than 350 litres per head per day


**WATER SUPPLY – PROSPECTIVE INCOME STATEMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	2,105	2,355	2,454	2,553
Capital contributions	–	46	59	60
<b>Total revenue</b>	<b>2,105</b>	<b>2,401</b>	<b>2,513</b>	<b>2,613</b>
<b>EXPENDITURE</b>				
Employee costs	5	7	7	7
Support costs	330	300	304	316
Operating costs	8,602	8,892	9,211	9,537
Interest expense	589	617	624	579
Depreciation	2,440	2,499	2,628	2,782
<b>Total expenditure</b>	<b>11,966</b>	<b>12,315</b>	<b>12,774</b>	<b>13,221</b>
<b>DEFICIT BEFORE TAX</b>	<b>(9,861)</b>	<b>(9,914)</b>	<b>(10,261)</b>	<b>(10,608)</b>

**WATER SUPPLY – PROSPECTIVE FUNDING REQUIREMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(9,861)	(9,914)	(10,261)	(10,608)
Add capital contributions	–	(46)	(59)	(60)
<b>Total rates funding requirement</b>	<b>(9,861)</b>	<b>(9,960)</b>	<b>(10,320)</b>	<b>(10,668)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(1,759)	(1,216)	(1,217)	(1,398)
Capital expenditure – improving services	(120)	(1,195)	(521)	(401)
Less capital contributions	–	46	59	60
Less depreciation	2,440	2,499	2,628	2,782
Transfer from capital reserve	–	–	–	–
<b>Total loan funding surplus</b>	<b>561</b>	<b>134</b>	<b>949</b>	<b>1,043</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(9,300)</b>	<b>(9,826)</b>	<b>(9,371)</b>	<b>(9,625)</b>



## ACTIVITY 9: WASTEWATER

### WHAT WE DO

Council provides a piping network which takes household and commercial effluent to the Seaview treatment plant which treats the effluent to meet public health and environmental standards. The Seaview treatment plant has been operating since November 2001 and has resulted in a significant improvement to the environment. Council undertakes maintenance and upgrades to assets to maintain required service levels.

### WHY WE DO IT

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 the health of the community.

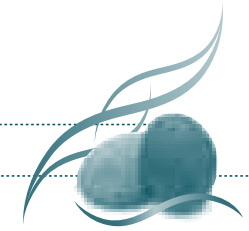
### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with sewage system	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Programmes (Opex) and Projects (Capex) delivered on time to quality	90%
Comply with resource consent conditions	100%
Wastewater system reliability	Fewer than 1.8 wastewater reticulation incident reports per km of pipeline
Responsiveness to blockages or overflows	The contractor is on-site within one hour of notification, 95% of the time

### WASTEWATER – PROSPECTIVE INCOME STATEMENT

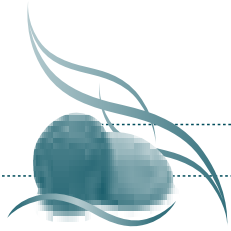
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	806	761	793	825
Upper Hutt City Council operating contribution	1,846	2,033	2,118	2,204
Capital contributions	–	260	290	297
<b>Total revenue</b>	<b>2,652</b>	<b>3,054</b>	<b>3,201</b>	<b>3,326</b>
<b>EXPENDITURE</b>				
Employee costs	10	10	10	11
Support costs	726	807	817	850
Operating costs	8,442	8,991	9,323	9,656
Interest expense	1,101	1,154	1,173	1,094
Depreciation	4,605	4,890	5,256	5,581
<b>Total expenditure</b>	<b>14,884</b>	<b>15,852</b>	<b>16,579</b>	<b>17,192</b>
<b>DEFICIT BEFORE TAX</b>	<b>(12,232)</b>	<b>(12,798)</b>	<b>(13,378)</b>	<b>(13,866)</b>





### WASTEWATER – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(12,232)	(12,798)	(13,378)	(13,866)
Add capital contributions	–	(260)	(290)	(297)
<b>Total rates funding requirement</b>	<b>(12,232)</b>	<b>(13,058)</b>	<b>(13,668)</b>	<b>(14,163)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(3,056)	(3,516)	(2,956)	(3,192)
Capital expenditure – improving services	(7,730)	(2,915)	(573)	(1,463)
Less capital contributions	–	260	290	297
Less UHCC capital contribution	2,535	1,260	532	624
Less depreciation	4,605	4,890	5,256	5,581
Less asset sales	2,650	–	–	–
Transfer from capital reserve	–	–	–	–
<b>Total loan funding (requirement)/surplus</b>	<b>(996)</b>	<b>(21)</b>	<b>2,549</b>	<b>1,847</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(13,228)</b>	<b>(13,079)</b>	<b>(11,119)</b>	<b>(12,316)</b>



## ACTIVITY 10: STORMWATER

### WHAT WE DO

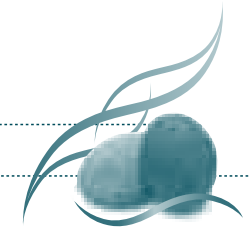
Council provides a stormwater drainage system to manage surface water run-off from urban catchments. Council's objective is to achieve an optimum balance between the level of protection and the cost to the community. In doing this Council undertakes maintenance and upgrade to assets to maintain required service levels.

### WHY WE DO IT

Hutt City has most of its development concentrated on flat valley plains where there is potential for flooding. The effective control of stormwater is necessary to protect the health and safety of the community and to minimise property damage. The most efficient means of achieving this is through a comprehensive stormwater system.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b> Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b> Resident satisfaction with stormwater drainage	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b> Programmes (Opex) and Projects (Capex) delivered on time to quality	90%
Reticulation incidents per km of public stormwater drains	Less than one
Watercourse water quality at main recreational beaches	Median water quality over day light saving period complies with Recreational Water Quality Standards
Responsiveness to blockages in the stormwater pipe	The contractor shall be on-site within one hour of notification, 95% of the time

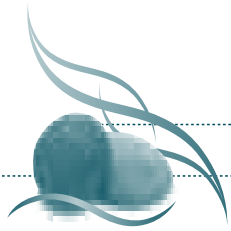


### STORMWATER – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
Operating contributions	5	5	5	5
Capital contributions	–	93	156	160
<b>Total revenue</b>	<b>5</b>	<b>98</b>	<b>161</b>	<b>165</b>
<b>EXPENDITURE</b>				
Employee costs	10	11	11	12
Support costs	333	325	329	342
Operating costs	2,181	2,379	2,433	2,489
Interest expense	659	691	699	649
Depreciation	1,772	1,796	1,931	2,085
<b>Total expenditure</b>	<b>4,955</b>	<b>5,202</b>	<b>5,403</b>	<b>5,577</b>
<b>DEFICIT BEFORE TAX</b>	<b>(4,950)</b>	<b>(5,104)</b>	<b>(5,242)</b>	<b>(5,412)</b>

### STORMWATER – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(4,950)	(5,104)	(5,242)	(5,412)
Add capital contributions	–	(93)	(156)	(160)
<b>Total rates funding requirement</b>	<b>(4,950)</b>	<b>(5,197)</b>	<b>(5,398)</b>	<b>(5,572)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(370)	(360)	(448)	(469)
Capital expenditure – improving services	(3,510)	(4,675)	(3,475)	(1,734)
Less capital contributions	–	93	156	160
Less depreciation	1,772	1,796	1,931	2,085
Transfer from capital reserve	–	–	–	–
<b>Total loan funding requirement</b>	<b>(2,108)</b>	<b>(3,146)</b>	<b>(1,836)</b>	<b>42</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(7,058)</b>	<b>(8,343)</b>	<b>(7,234)</b>	<b>(5,530)</b>



## ACTIVITY 11: SOLID WASTE

### WHAT WE DO

Council manages contracts for the collection of the city’s refuse and recycling. It also owns and operates two landfills to provide for the disposal of residual waste. Work being undertaken on Silverstream Stage Two is to provide for maintenance of current service levels when the area currently being used at Silverstream is full.

### WHY WE DO IT

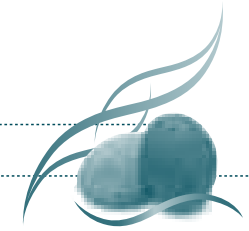
Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment. Council wishes to promote recycling and waste reduction, and to provide for the disposal of the city’s solid waste.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with recycling	Equal to or above peer average
Resident satisfaction with rubbish collection	Equal to or above peer average
Resident satisfaction with refuse collection	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Programmes (opex) and Projects (Capex) delivered on time and to quality	90%
Resource consent requirements	Full compliance with requirements

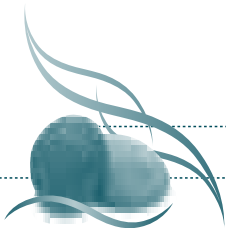
### SOLID WASTE – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	8,909	9,116	9,891	10,130
<b>Total revenue</b>	<b>8,909</b>	<b>9,116</b>	<b>9,891</b>	<b>10,130</b>
<b>EXPENDITURE</b>				
Employee costs	40	56	57	59
Support costs	103	148	150	156
Operating costs	4,699	4,564	4,705	4,847
Depreciation	388	380	629	739
<b>Total expenditure</b>	<b>5,230</b>	<b>5,148</b>	<b>5,541</b>	<b>5,801</b>
<b>SURPLUS BEFORE TAX</b>	<b>3,679</b>	<b>3,968</b>	<b>4,350</b>	<b>4,329</b>



### SOLID WASTE – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Surplus before tax	3,679	3,968	4,350	4,329
<b>Total rates funding surplus</b>	<b>3,679</b>	<b>3,968</b>	<b>4,350</b>	<b>4,329</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	–	–	–	–
Capital expenditure – improving services	(3,790)	(3,760)	(2,843)	(1,948)
Less depreciation	388	380	629	739
<b>Total loan funding requirement</b>	<b>(3,402)</b>	<b>(3,380)</b>	<b>(2,214)</b>	<b>(1,209)</b>
<b>TOTAL FUNDING (REQUIREMENT)/ SURPLUS</b>	<b>277</b>	<b>588</b>	<b>2,136</b>	<b>3,120</b>



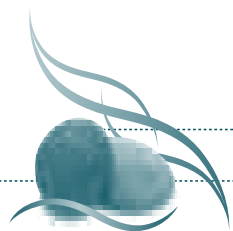
## GROUP ENVIRONMENT

### COMMUNITY OUTCOMES

Hutt City residents identified the following outcomes as being important to Hutt City's future environmental well-being:

- Having clean air, water and land
- Continued protection and conservation of our environment
- Efficient use and conservation of energy resources
- A city that is safe
- A diverse natural environment that is accessible, enjoyable and safe
- Good information on how to be prepared for an emergency
- A more attractive Hutt City Council
- Developing the uniqueness of Hutt City including its history and culture.





**WHAT ROLE WILL HUTT CITY COUNCIL AND OTHER ORGANISATIONS PLAY IN ACHIEVING THESE COMMUNITY OUTCOMES?**

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	√	√	√	√		√
Greater Wellington – The Regional Council	√	√		√	√	√
Environmental Groups	√				√	√
Residents' Groups	√					
Business Care	√					
Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui	√				√	
Te Taura Here o te Te Awakairangi	√				√	
Wellington Tenths Trust	√	√			√	
Department of Conservation	√	√				√

**SIGNIFICANT ACTIVITIES**

- Activity 12: Environmental Management
- Activity 13: Emergency Management

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**ACTIVITY FUNDING**

The rationale for funding decisions in relation to each significant activity is provided in Council’s Revenue and Financing Policy, which is contained in Volume 2 of this Community Plan.

**SIGNIFICANT NEGATIVE EFFECTS**

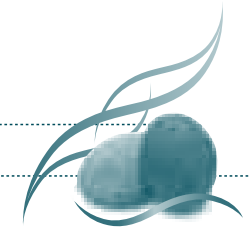
A range of actions or events may cause negative effects on the social, economic, environmental and cultural well-being of the community. However, at this stage there are no known significant negative effects surrounding Council’s planned key programmes and activities.

**PERFORMANCE MEASURES**

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes ie, Communitrak and Quality of Life Survey which is used in reporting these measures.

In addition, officers report monthly on progress towards Council’s Key Performance Indicators (refer page 57 to 60) and other targets and measures as identified in Council’s monthly management reporting and subsequent Quarterly reporting. Quarterly reports are available on Hutt City’s website: [www.huttcity.info](http://www.huttcity.info)



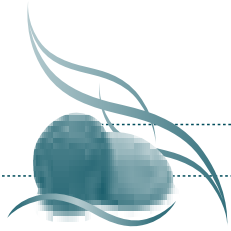


## CAPITAL PROJECTS

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the forecast Financial Statements contained in this Community Plan. Some project costs include a component that is incurred to provide for

anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
<b>13. EMERGENCY MANAGEMENT</b>										
<b>New/Improvements</b>										
Bush Fire Force Garage			372							
Bush Fire Force Vehicle		88								



## ACTIVITY 12: ENVIRONMENTAL MANAGEMENT

### WHAT WE DO

Council develops implements and monitors the District Plan, relevant by-laws and other environmental policies and plans for the sustainable development of Hutt City. Council's statutory resource management and building approval and inspection functions, environmental health and animal control 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 as well as by-law requirements. Inspections of business and food premises, certification, liquor licensing, pollution control, trade waste and monitoring of beaches are also undertaken to promote and protect public health and safety in Hutt City. Noise and hazardous substances also fall under this activity.

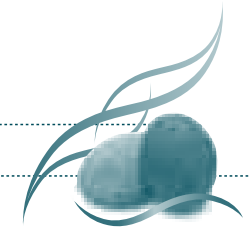
### WHY WE DO IT

This activity is fundamental to achieving a clean, healthy, attractive and sustainable environment. There is also a legal requirement for this activity.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with animal control	Equal to or above peer average
Resident satisfaction with inspection services (eg, permits, licenses etc)	Equal to or above peer average
Resident satisfaction with requests for service	Equal to or above peer average

2006/07 – 2015/16	TARGET
<b>LEVEL OF SERVICE MEASURE</b>	
LIM's processed to comply with statutory requirements	90% of LIM's processed within 9 working days
Building consent/project information and resource consents processed to comply with the Building Code and District Plan requirements respectively	80% of non-notified land use consents processed within 18 working days
Plan changes and environmental policies researched, proposed, consulted and reported on as required by Council in accordance with the relevant statutory provisions	All district Plan changes processed and completed in accordance with statutory requirements
Premises (eg, food outlets and liquor outlets) registered or licensed with 30 days of application	90%
Code of compliance certificates issued to comply with statutory requirements in the Building Act	100%
Building inspections under ISO 17020 standard certified per year	9900 certified
Dog pound open 7 days per week except for public holidays	100%
Dog complaints are responded to within required timeframes	100%
Noise complaints are responded to within required timeframes	100%

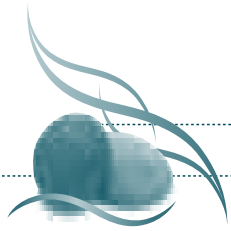


### ENVIRONMENTAL MANAGEMENT – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	3,239	2,831	2,927	2,998
Other revenue	28	89	92	94
<b>Total revenue</b>	<b>3,267</b>	<b>2,920</b>	<b>3,019</b>	<b>3,092</b>
<b>EXPENDITURE</b>				
Employee costs	3,169	3,509	3,597	3,684
Support costs	859	1,122	1,136	1,182
Operating costs	1,655	1,374	1,417	1,459
Interest expense	–	–	–	–
Depreciation	6	4	4	4
<b>Total expenditure</b>	<b>5,689</b>	<b>6,009</b>	<b>6,154</b>	<b>6,329</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,422)</b>	<b>(3,089)</b>	<b>(3,135)</b>	<b>(3,237)</b>

### ENVIRONMENTAL MANAGEMENT – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(2,422)	(3,089)	(3,135)	(3,237)
<b>Total rates funding requirement</b>	<b>(2,422)</b>	<b>(3,089)</b>	<b>(3,135)</b>	<b>(3,237)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – improving services	–	–	–	–
Less depreciation	6	4	4	4
<b>Total loan funding surplus</b>	<b>6</b>	<b>4</b>	<b>4</b>	<b>4</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,416)</b>	<b>(3,085)</b>	<b>(3,131)</b>	<b>(3,233)</b>



## ACTIVITY 13: EMERGENCY MANAGEMENT

### WHAT WE DO

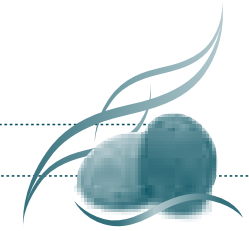
Council develops, implements and monitors city-wide emergency management plans, and promotes community preparedness for emergencies. Under the 2002 Civil Defence Emergency Management Act, Council must work co-operatively with other authorities in the region to plan for and respond to hazards, risks and emergencies. Council also has plans in place for dealing with and preventing rural fires. Council maintains the in-house capacity to co-ordinate responses to civil defence and rural fire emergencies.

### WHY WE DO IT

This activity is fundamental to achieving city-wide preparedness for emergencies. There is also a legal requirement for this activity under the Forest and Rural Fires Act and the Civil Defence Emergency Management Act. The Hutt City Council works under the auspices of Reduce, Readiness, Response, and Recovery.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b> Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b> Percentage of households that are prepared for a Civil Defence emergency	60%
<b>LEVEL OF SERVICE MEASURE</b> Emergencies are responded to in accordance with the Wellington Region Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002	100%
Rural fires are responded to 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	100%

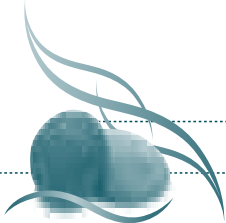


### EMERGENCY MANAGEMENT – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
Operating contributions	40	40	41	42
<b>Total revenue</b>	<b>40</b>	<b>40</b>	<b>41</b>	<b>42</b>
<b>EXPENDITURE</b>				
Employee costs	227	263	270	276
Support costs	231	225	228	237
Operating costs	132	144	148	153
Depreciation	14	13	16	34
<b>Total expenditure</b>	<b>604</b>	<b>645</b>	<b>662</b>	<b>700</b>
<b>DEFICIT BEFORE TAX</b>	<b>(564)</b>	<b>(605)</b>	<b>(621)</b>	<b>(658)</b>

### EMERGENCY MANAGEMENT – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(564)	(605)	(621)	(658)
<b>Total rates funding requirement</b>	<b>(564)</b>	<b>(605)</b>	<b>(621)</b>	<b>(658)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(85)	–	–	–
Capital expenditure – improving services	–	–	(88)	(372)
Less depreciation	14	13	16	34
<b>Total loan funding (requirement)/surplus</b>	<b>(71)</b>	<b>13</b>	<b>(72)</b>	<b>(338)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(635)</b>	<b>(592)</b>	<b>(693)</b>	<b>(996)</b>

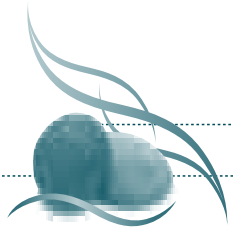


## GROUP ECONOMY

### COMMUNITY OUTCOME

Hutt City residents identified the following outcomes as being important to Hutt City's future economic well-being:

- A local economy that is attractive to both business and residents
- Retention of business achievers and people critical for business
- Attraction and nurturing of high quality businesses
- Local businesses being supported and promoted
- A skilled workforce that meets local business' needs
- Good telecommunications systems
- A growing number of entrepreneurial companies located in Hutt City
- Creation of an exciting, dynamic city so entrepreneurs want to live and work here
- Encouragement of enterprise and innovation including incentives to attract research, development and application industries
- Making the most of the CRIs by attracting the kind of people with the entrepreneurial nous to build on these R&D outcomes
- Attraction of tourists to Hutt City
- A built environment that is attractive, safe and healthy
- A more attractive city
- Developing the uniqueness of Hutt City including its history and culture.



**WHAT ROLE WILL HUTT CITY COUNCIL AND OTHER ORGANISATIONS PLAY IN ACHIEVING THESE COMMUNITY OUTCOMES?**

Organisation	Advocate	Funder	Service provider	Regulator	Facilitator	Monitor
Hutt City Council	√	√			√	√
Positively Wellington Business	√	√			√	√
Weltec		√	√		√	
Business Hutt Valley	√		√		√	
New Zealand Trade and Enterprise	√	√			√	
CBD+, Jackson Street Programme			√		√	

**SIGNIFICANT ACTIVITIES**

- Activity 14: Local Urban Design
- Activity 15: Economic Development

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**ACTIVITY FUNDING**

The rationale for funding decisions in relation to each significant activity is provided in Council’s Revenue and Financing Policy, which is contained in Volume 2 of this Community Plan.

**SIGNIFICANT NEGATIVE EFFECTS**

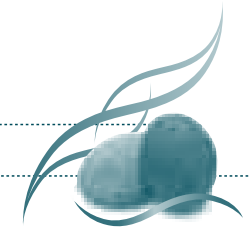
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**PERFORMANCE MEASURES**

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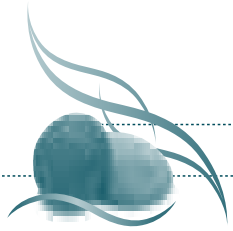


## CAPITAL PROJECTS

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the forecast Financial Statements contained in this Community Plan. Some project costs include a component that is incurred to provide for

anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
<b>14. LOCAL URBAN DESIGN</b>										
<b>New/Improvements</b>										
CBD Masterplan	1,000									
Suburban Shopping Centre Improvements	300	206	212	218	223	229	233	238	242	245
CBD Development		516	531							
<b>15. ECONOMIC DEVELOPMENT</b>										
<b>Maintenance</b>										
Seaview/Gracefield Banners	30	31	32	33	34	34	35	36	36	37
<b>New/Improvements</b>										
Seaview/Gracefield Improvements	100	103								
Wingate Industrial Area Development (Carryover)	100									
Smartlinx3	300									



## ACTIVITY 14: LOCAL URBAN DESIGN

### WHAT WE DO

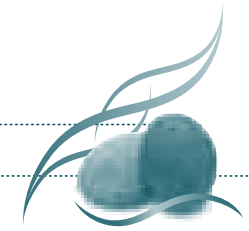
Council aims to develop an urban environment that will help attract people and investment, as well as enhance the city’s image. Council also recognises the role Hutt City’s heritage and features play in the city’s image. Council implements environmental policies and plans for the sustainable development of Hutt City, including environmental education and promotion. An annual waste minimisation programme is run to promote the concept of “reduce, reuse, recycle” to business and citizens.

### WHY WE DO IT

The public space of Hutt City is managed and developed by Council on behalf of the community. It is important that urban design and infrastructure support and provide for modern business environment requirements. The whole community can benefit from the preservation of buildings of architectural, heritage and historic value, as often the work required is of no benefit to the owner or occupier. Solid waste management is necessary for the health and quality of life of the community. Council promotes recycling and waste reduction.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Resident satisfaction with the feel and overall look of the city	Equal to or above previous results
Business satisfaction with the feel and overall look of the city	Equal to or above previous results
Resident satisfaction with litter control	Equal to or above peer average
Resident satisfaction with levels of graffiti	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b>	
Development projects are progressed on agreed project timeframes	90%
Percentage of households that have used the recycling service in the last 12 months	70%
All residents have access to community recycling facilities	95%
Tonnes of recycling per annum	Increasing



### LOCAL URBAN DESIGN – PROSPECTIVE INCOME STATEMENT

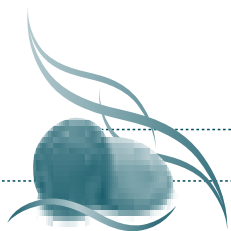
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
Capital contributions	–	6	12	13
<b>Total revenue</b>	<b>–</b>	<b>6</b>	<b>12</b>	<b>13</b>
<b>EXPENDITURE</b>				
Employee costs	32	162	166	170
Support costs	98	136	138	143
Operating costs	150	375	371	340
Interest expense	5	5	5	5
Depreciation	97	290	315	365
<b>Total expenditure</b>	<b>382</b>	<b>968</b>	<b>995</b>	<b>1,023</b>
<b>DEFICIT BEFORE TAX</b>	<b>(382)</b>	<b>(962)</b>	<b>(983)</b>	<b>(1,010)</b>

### LOCAL URBAN DESIGN – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(382)	(962)	(983)	(1,010)
Add capital contributions	–	(6)	(12)	(13)
<b>Total rates funding requirement</b>	<b>(382)</b>	<b>(968)</b>	<b>(995)</b>	<b>(1,023)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – improving services	(1,480)	(1,300)	(722)	(743)
Less capital contributions	–	6	12	13
Less depreciation	97	290	315	365
Transfer from capital reserve	–	–	–	–
<b>Total loan funding (requirement)/surplus</b>	<b>(1,383)</b>	<b>(1,004)</b>	<b>(395)</b>	<b>(365)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,765)</b>	<b>(1,972)</b>	<b>(1,390)</b>	<b>(1,388)</b>

### OPERATING PROJECTS

Anti Graffiti Rapid Response	150	155	159
Eastbourne Strategic Plan (Carryover)	5	–	–
Heritage Sites & Buildings Inventory	40	41	–
Heritage Study		10	–



## ACTIVITY 15: ECONOMIC DEVELOPMENT

### WHAT WE DO

Council has a leading role in fostering Hutt City's growth in a number of ways. These include creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism and events in Hutt City, and contributing to regional growth through regional economic development.

### WHY WE DO IT

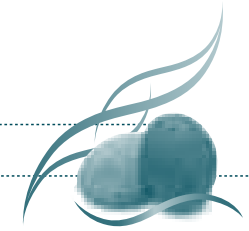
Individual businesses generally have insufficient incentives to explore opportunities that benefit Hutt City as a whole, as well as themselves. Hutt City's businesses and residents benefit from Council's support of the business sector as well as from the promotion and recognition of Hutt City as a business location and vibrant city.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Business satisfaction with economic development programmes	80%
Resident satisfaction with the visitor information services and special events	80%
<b>LEVEL OF SERVICE MEASURE</b>	
Economic ranking of Hutt City relative to peer group of NZ cities as per annual Economic Development Strategy (EDS) Report to Council (which includes such measures as number of businesses, number of FTE and GDP)	Improvement

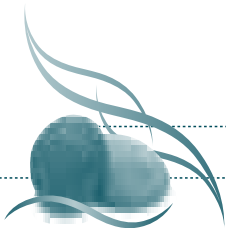
### ECONOMIC DEVELOPMENT – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	125	175	181	185
Operating contributions	297	180	186	191
Other revenue	51	12	12	13
<b>Total revenue</b>	<b>473</b>	<b>367</b>	<b>379</b>	<b>389</b>
<b>EXPENDITURE</b>				
Employee costs	364	462	474	485
Support costs	550	315	319	332
Operating costs	1,909	1,696	1,737	1,798
Interest expense	15	15	15	14
<b>Total expenditure</b>	<b>2,838</b>	<b>2,488</b>	<b>2,545</b>	<b>2,629</b>
<b>DEFICIT BEFORE TAX</b>	<b>(2,365)</b>	<b>(2,121)</b>	<b>(2,166)</b>	<b>(2,240)</b>



### ECONOMIC DEVELOPMENT – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(2,365)	(2,121)	(2,166)	(2,240)
<b>Total rates funding requirement</b>	<b>(2,365)</b>	<b>(2,121)</b>	<b>(2,166)</b>	<b>(2,240)</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(30)	(30)	(31)	(32)
Capital expenditure – improving services	(250)	(500)	(103)	–
<b>Total loan funding requirement</b>	<b>(280)</b>	<b>(530)</b>	<b>(134)</b>	<b>(32)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(2,645)</b>	<b>(2,651)</b>	<b>(2,300)</b>	<b>(2,272)</b>
<b>OPERATING PROJECTS</b>				
CBD + (Business Hutt Valley)		270	278	287
Events		265	273	281
Wellington Regional Development Strategy		50	–	–
International Cities		50	52	53
Jackson Street Programme		80	82	85
Long Haul Strategy		40	56	66
Positively Wellington Business		410	423	435
Retail Coordinator		45	46	48

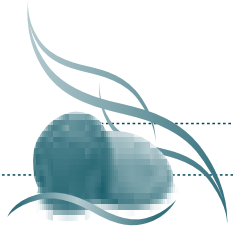


## GROUP ORGANISATION

### COMMUNITY OUTCOMES

All the Community Outcomes are relevant for this group of activities, which provides management support and advice to elected members and Council officers. It also ensures that high levels of service are maintained, and that customers and staff are valued.

The role of the elected members and community representatives as part of this group is of the utmost importance. They represent the views of the community when decisions are being considered by Council.



## SIGNIFICANT ACTIVITIES

	<b>PAGE</b>
Activity 16: Elected Members	127
Activity 17: Advice and Support	128
Activity 18: Managing Services	129

## ACTIVITY FUNDING

The rationale for funding decisions in relation to each significant activity is provided in Council's Revenue and Financing Policy, which is contained in Volume 2 of this Community Plan.

## PERFORMANCE MEASURES

Under activities listed on the following pages are performance measures and targets for each activity undertaken in the group. These measures give you an understanding of how levels of service are meaningfully assessed. Council is involved in a number of public perception feedback programmes i.e. Communitrak and Quality of Life Survey which is used in reporting of these measures.

In addition, officers report monthly on progress towards Councils Key Performance Indicators (refer page 57 to 60) and other targets and measures as identified in Council's monthly management reporting and subsequent Quarterly reporting. Quarterly reports are available on Hutt City's web site [www.huttcity.info](http://www.huttcity.info).



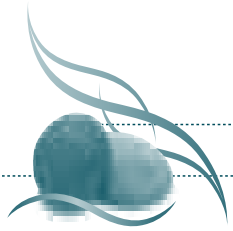


## CAPITAL PROJECTS

The following table identifies the capital projects Council has identified in its asset management plans to maintain and improve existing services. The estimated cost of each project has been included in the forecast Financial Statements contained in this Community Plan. Some project costs include a component that is incurred to provide for

anticipated future increases in demand for Council facilities as a result of growth in the city. Council's Policy on Development and Financial Contributions summarises this type of capital expenditure and how it is to be funded.

For the year ending 30 June	2007 \$000	2008 \$000	2009 \$000	2010 \$000	2011 \$000	2012 \$000	2013 \$000	2014 \$000	2015 \$000	2016 \$000
<b>18. MANAGING SERVICES</b>										
<b>Maintenance</b>										
Archives Accommodation	30				168					245
Core Financial And Regulatory System Replacement	50	103	53				233	475	121	
Corporate Application/Hardware Replacement (Includes \$55,603 Carryover)	356	206	212	316	223	114	175	238	725	614
Desktop Operating System Upgrade			159			126			133	
Enterprise/Technical Architecture	100	21	21	22	56	23	23	24	60	25
General Office Expenditure	30	31	32	33	34	34	35	36	36	37
Intranet Re-Development	25	26	27	27	28	29	29	30	30	31
LIS Aerial Photos		289					350			
Network Replacement	50	21	21	22	56	23	23	24	60	25
PC Replacement Programme	250	258	266	273	279	411	420	428	435	442
Printer Replacement	70	72	53	55	56	114	128	59	60	61
Replace Library Software	100					1143	233			
Server Replacement Program And Disaster Recovery	120	144	149	87	39	40	82	83	42	43
Software Purchases	40	41	85	44	45	46	47	48	48	49
Telecommunications (Includes \$50,000 Carryover)	75	67	186	11	11					
<b>New/Improvements</b>										
Core Business Applications Enhancements (Includes \$21,519 Carryover)	162	144	212	153	156	206	210	214	217	221
Customer Call Centre PABX Upgrades	30	21	21							



<b>For the year ending 30 June</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>	<b>\$000</b>
Digitisation Of Council Core Information	661	660	609	197	61	2	12	2	66	2
Future Information Management Projects				273	279	286	292	297	302	307
Internet On Line Public Services	140	62	64	65	67	69	70	71	72	74
Mobile Devices For Field Operations/Site Visits		41	64	55	56				60	61
Electronic Document Management (Carryover)	100									
Library Systems Replacement (Carryover)	760									



## ACTIVITY 16: ELECTED MEMBERS

### WHAT WE DO

Elected members provide a governance role for the City, set the strategic direction of the Council including determining the activities the Council undertakes (within legal parameters) and monitors the Council's performance on behalf of the city residents and ratepayers. Community Boards and Ward Committees are part of the Council's governance structure and provide local input into the Council's decision-making process.

### WHY WE DO IT

To ensure good governance and good decision-making, and to meet legal requirements.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b> Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b> Residents' satisfaction with performance of Mayor and Councillors	Equal to or above peer average
<b>LEVEL OF SERVICE MEASURE</b> Residents' satisfaction with the way rates are spent	Equal to or above peer average

### ELECTED MEMBERS – PROSPECTIVE INCOME STATEMENT

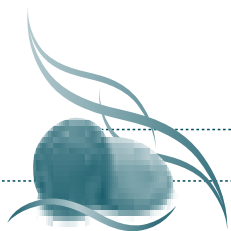
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
<b>Total revenue</b>	-	-	-	-
<b>EXPENDITURE</b>				
Employee costs	909	941	965	988
Support costs	545	620	628	653
Operating costs	118	142	95	98
<b>Total expenditure</b>	<b>1,572</b>	<b>1,703</b>	<b>1,688</b>	<b>1,739</b>
<b>DEFICIT BEFORE TAX</b>	<b>(1,572)</b>	<b>(1,703)</b>	<b>(1,688)</b>	<b>(1,739)</b>

### ELECTED MEMBERS – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(1,572)	(1,703)	(1,688)	(1,739)
<b>Total rates funding requirement</b>	<b>(1,572)</b>	<b>(1,703)</b>	<b>(1,688)</b>	<b>(1,739)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(1,572)</b>	<b>(1,703)</b>	<b>(1,688)</b>	<b>(1,739)</b>

### OPERATING PROJECTS

Representation Review (Carryover)		50	-	-
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## ACTIVITY 17: ADVICE AND SUPPORT

### WHAT WE DO

This activity comprises those processes that support the Council’s decision-making, for example, strategic planning, policy development, and monitoring and reporting.

### WHY WE DO IT

Professional advice and support are necessary to assist Council, Community Boards and Ward Committees to make informed decisions on behalf of the community.

### HOW WE DO IT

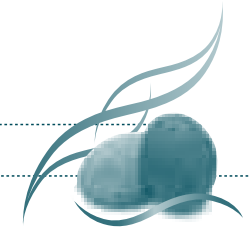
2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b>	
Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b>	
Councillors are satisfied or more than satisfied with the formal advice received from officers	80%
Community Board and Ward Committee members are satisfied or more than satisfied with the formal advice received from officers	80%
<b>LEVEL OF SERVICE MEASURE</b>	
Projects identified in annual work programme progressed as per agreed timeframes	90%

### ADVICE AND SUPPORT – PROSPECTIVE INCOME STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
Other revenue	–	–	72	–
<b>Total revenue</b>	–	–	72	–
<b>EXPENDITURE</b>				
Support costs	3,204	3,625	3,670	3,819
Operating costs	35	75	284	80
<b>Total expenditure</b>	<b>3,239</b>	<b>3,700</b>	<b>3,954</b>	<b>3,899</b>
<b>DEFICIT BEFORE TAX</b>	<b>(3,239)</b>	<b>(3,700)</b>	<b>(3,882)</b>	<b>(3,899)</b>

### ADVICE AND SUPPORT – PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Deficit before tax	(3,239)	(3,700)	(3,882)	(3,899)
Transfer (to)/from operating reserve	(50)	(50)	103	(53)
<b>Total rates funding requirement</b>	<b>(3,289)</b>	<b>(3,750)</b>	<b>(3,779)</b>	<b>(3,952)</b>
<b>TOTAL FUNDING REQUIREMENT</b>	<b>(3,289)</b>	<b>(3,750)</b>	<b>(3,779)</b>	<b>(3,952)</b>



## ACTIVITY 18: MANAGING SERVICES

### WHAT WE DO

Managing services incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

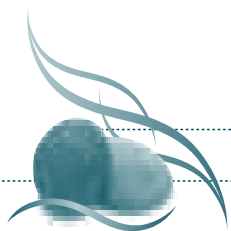
- Customer Relations
- Corporate Planning
- Finance
- General Administration
- Human Resources
- Information Management
- Office of the Chief Executive (including Legal Counsel and Communications)
- Strategic Development (including Democratic Services)
- Monitoring and Reporting.

### WHY WE DO IT

This activity contributes to all Community Outcomes by supporting all of Council's other activities.

### HOW WE DO IT

2006/07 – 2015/16	TARGET
<b>FINANCIAL MEASURE</b> Net capital expenditure and operational expenditure	Within budget
<b>CUSTOMER MEASURE</b> Overall satisfaction ratings of resident surveys Satisfaction ratings in staff survey  Staff turnover	Equal to or above peer average Equal to or above peer organisational average Less than 15%
<b>LEVEL OF SERVICE MEASURE</b> Legal and policy requirements  Work-related accidents  Award received from the NZ Business Excellence Foundation Number of organisation improvements reported by staff	No significant instances of non-compliance Less than six resulting in time off work Achievement Award More than 500


**MANAGING SERVICES – PROSPECTIVE INCOME STATEMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>REVENUE</b>				
User charges	1,300	788	815	834
Operating contributions	–	45	47	48
Other revenue	1,247	67	69	71
<b>Total revenue</b>	<b>2,547</b>	<b>900</b>	<b>931</b>	<b>953</b>
<b>EXPENDITURE</b>				
Employee costs	5,517	6,147	6,301	6,454
Operating costs	5,905	5,773	5,746	5,934
Net interest expense	(550)	–	–	–
Depreciation	1,086	1,340	1,399	1,588
<b>Total expenditure</b>	<b>11,958</b>	<b>13,260</b>	<b>13,446</b>	<b>13,976</b>
<b>DEFICIT BEFORE ALLOCATIONS</b>	<b>(9,411)</b>	<b>(12,360)</b>	<b>(12,515)</b>	<b>(13,023)</b>
Less costs allocated to significant activities	11,541	12,360	12,515	13,023
<b>SURPLUS BEFORE TAX</b>	<b>2,130</b>	<b>–</b>	<b>–</b>	<b>–</b>

**MANAGING SERVICES – PROSPECTIVE FUNDING REQUIREMENT**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s
<b>RATES FUNDING REQUIREMENT</b>				
Surplus before tax	2,130	–	–	–
Transfer to operating reserve	(160)	–	–	–
Transfer from loan funding	(2,858)	1,591	386	819
<b>Total rates funding surplus/(requirement)</b>	<b>(888)</b>	<b>1,591</b>	<b>386</b>	<b>819</b>
<b>LOAN FUNDING REQUIREMENT</b>				
Capital expenditure – maintaining services	(898)	(1,296)	(1,278)	(1,264)
Capital expenditure – improving services	(337)	(1,853)	(928)	(970)
Less depreciation	1,086	1,340	1,399	1,588
Transfer to rate funding	2,858	(1,591)	(386)	(819)
<b>Total loan funding (requirement)/surplus</b>	<b>2,709</b>	<b>(3,400)</b>	<b>(1,193)</b>	<b>(1,465)</b>
<b>TOTAL FUNDING SURPLUS/(REQUIREMENT)</b>	<b>1,821</b>	<b>(1,809)</b>	<b>(807)</b>	<b>(646)</b>
<b>OPERATING PROJECTS</b>				
Hutt City Promotion	200	52	53	
Quality Of Life Study	25	10	27	

# *Asset Management* **Planning**









## ASSET MANAGEMENT PLAN

The Asset Management Plan sets 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
- In compliance with legal requirements.

The Asset Management Plan comprises 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)
- 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 standards
- Legislative standards
- Technical standards
- 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 condition, an assessment of the asset's service capabilities and a forecast of the future demand for the services.

Life cycle management covers the five key strategies necessary to deliver the required service standards.

Four strategies maintain the service capability of existing assets:

- Management/Monitoring Strategy
- Operations Strategy
- Maintenance Strategy
- Cyclic Renewal Strategy.

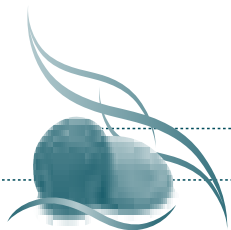
The fifth strategy, the Asset Development Strategy, aims to close gaps between the current service capability and target service standards.

Financial programmes associated with the five strategies are fed into Council's long term financial planning. For example, the Asset Renewal Strategy feeds into the "Maintaining Services" category of projects in the Community Plan, and the Asset Development Strategy feeds into the "Improving Services" category.

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.

### Climate Change Considerations

Climate change considerations are unlikely to drive or initiate action by local government on their own. Rather, through the application of risk management processes in assessing and prioritising possible responses to the effects of climate change, they may modify an outcome. Council asset management planning processes already include risk assessment modelling, which will be expanded to specifically include climate change.



## 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.

### Swimming Pools

The provision of public swimming pools throughout the city helps contribute to the Community Outcome 5 – Lifestyle

- Affordable access to community facilities that include arts, cultural and recreational options.

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.

### Property

The property activities contribute to the following Community Outcomes 5 – Lifestyle and 6 – Regional Foundations

- A city that is safe
- Affordable access to community facilities that include arts, cultural and recreational options
- A quality standard of affordable housing.

Council provides a safe environment in its commercial and residential buildings, public toilets and community halls. Council provides this to:

- Ensure local communities have access to venues for recreational, cultural and governance activities
- Identify and continue to seek opportunities for Council to divest itself of properties that are not considered to be within Council's core business
- 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.

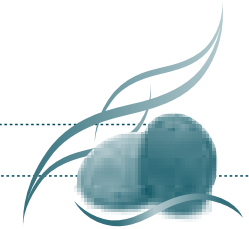
The Property Division is responsible for managing a variety of properties for use by the community.

The portfolio comprises the following:

- Community and civic halls and venues
- Library buildings
- Public toilets
- Community houses
- Council's administrative building and suburban service centres
- Housing units for the elderly and 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.

Properties which are deemed surplus to requirements are identified and subjected to consultation processes and Council approvals. They may be marketed for disposal.



Condition Assessment Surveys are undertaken 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 Community Plan and associated funding applications
- Update and improve the Asset Management Plan
- Deliver ongoing service to internal and external customers
- Adhere to the Division's 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.

#### **Parks and Reserves**

Parks and Reserves helps contribute to Community Outcome 5 – Lifestyle

- Affordable access to community facilities that include arts, cultural and recreational options.

The city has 5,300 hectares of parks and reserves, 54 children's playgrounds and 27 sports grounds which the community utilises.

Council has reached agreement with The Greater Wellington Regional Council whereby Greater Wellington will assume the management responsibility for Council-owned land that falls within the boundaries of a regional park.

The purpose of this arrangement is to allow the integrated management of land forming part of the East Harbour Regional Park and the Belmont Regional Park

#### **INFRASTRUCTURAL ASSETS MANAGED BY COUNCIL**

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 roading and traffic activity primarily contributes to Community Outcomes 2 – Connected and 7 – Sense of Place

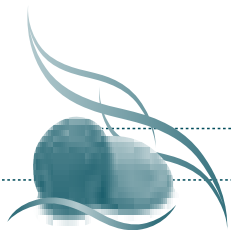
- Enhanced roading system
- A built environment that is attractive, safe and healthy.

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, footpaths, street lights, traffic improvements (for example, traffic lights, roundabouts, kerb extensions), barriers and bridges.

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.



By targeting minor improvement works for accident black-spots and taking skid resistance into consideration with seal designs, the number of reported injury accidents city-wide has been reduced markedly over the last 13 years from 333 in 1990 to 150 in 2003 by around 50% in the last ten years.

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.

#### **Water Supply**

The supply of high quality, affordable water for domestic and commercial use contributes primarily to Community Outcomes 1 – Community Prosperity and 4 – Healthy Environment

- A local economy that is attractive to businesses and residents
- Clean air, water and land.

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.

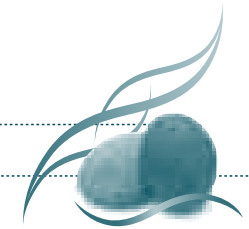
Council purchases bulk water from Greater Wellington – The Regional Council and distributes it to the community through the water supply system, which comprises 23 reservoirs, 12 pumping stations and 671 km of underground pipelines. The water supply network throughout the city is in satisfactory condition 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. A link main was installed in Petone in 2003/04 connecting the Hutt Road and Western Hutt Road water supply systems. Link mains in Tama Street/North Street and Hutt Road/Wakefield Street to connect Petone and Hutt City water supply systems will be considered in 2005/06 for inclusion in the forward work programme beyond 2007/08.

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

The financial programme for renewals 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.



Significant errors in asset valuation could 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 minimise the risk 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.

Generally, the expected length of life of water assets in Hutt City is consistent with the asset life length detailed in the International Asset Management Manual. But in some cases adjustment is made when experience shows that the remaining lives are shortened or extended by the local environment.

#### **Stormwater**

The stormwater activity primarily contributes to Community Outcomes 1 – Community Prosperity and 4 – Healthy Environment

- A local economy that is attractive to both business and residents
- Clean air, water and land.

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

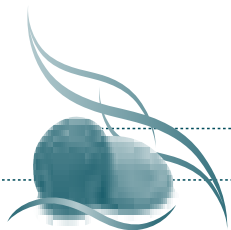
- Contributes to the safety of the community by minimising the incidence of flooding
- Minimises property damage from flooding and thus supports the economy of Hutt City
- Provides a cost-effective stormwater system, which supports development in Hutt City.

The stormwater network comprises a primary system of 500 km of pipes, 2.8 km of open drains and canals, nine pumping stations and five retention dams, streams, and a secondary system of overland flowpaths. The pump stations and retention dams generally provide a satisfactory level of flood protection.

The majority of the open watercourses maintained by Council perform satisfactorily. The capacity of the Opahu Stream, however, has been significantly reduced over the years by the filling of much of the original floodplain, narrowing of the stream channel, landscaping and fencing in private properties. Extensive work has been carried out on the stream, providing improved capacity.

Management of the stormwater system is focused on the renewal of existing assets that have reached the end of their useful lives and the provision of new assets to provide an increase in the stormwater levels of protection for the community.

- **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.
- **Greater Wellington –** The Regional Council is undertaking major Hutt River upgrading work between the Ava Rail Bridge and the Ewen Bridge. Council will undertake upgrading of stormwater outlets to the Hutt River alongside this project at a cost of \$150,000 in 2006/07.
- **The Gracefield Pumping Station** and associated work scheduled for construction in the 2006/07 year at a cost of nearly \$1.9 million, will reduce localised flooding for businesses in the vicinity of Hutt Park road and Parkside road.
- **Upgrade projects** will be considered annually to mitigate flooding hot spots throughout the city, including Black Creek in Wainuiomata.



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

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To minimise the risk, 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.

Generally, the expected length of life of storm-water assets in Hutt City is consistent with the asset life length detailed in 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 the local environment.

### **Wastewater**

The wastewater activity primarily contributes to Community Outcomes 1 – Community Prosperity and 4 – Healthy Environment

- A local economy that is attractive to both businesses and residents
- Clean air, water and land.

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.

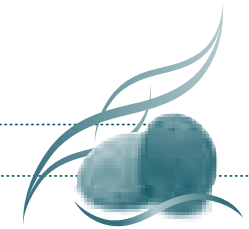
Wastewater is collected by the local wastewater system (which consists of 562 km of pipes and 24 pump stations) and delivered to the Trunk Wastewater System.

This comprises 95 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.

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 additional capacity to convey higher flows. Additional pipes and pump capacity are to be considered for the Malone Road catchment in 2006/07 at a cost of \$540,000. These additional assets will help to minimise overflows from the Malone Road and Hinemoa Street catchments into the Waiwhetu Stream
- Providing storage to accommodate wet weather loading. A 10,000 cubic metre storage tank will be built in Silverstream by June 06 at a cost of approximately \$10 million. The storage tank will eliminate the Welcon Scour (wastewater overflow) overflows into the Hutt River and minimise the quantity and improve the quality of overflows into the Hutt River.

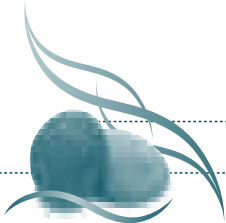
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Generally the useful lives of assets are consistent with the International Asset Management Manual. But in some cases adjustment had been made when experience shows that the remaining lives are shortened or extended by local conditions.





*Water and Sanitary Services Assessment  
and Summary of 2004 Waste Management Plan*







## WATER AND SANITARY SERVICES ASSESSMENTS

All territorial authorities are required to carry out assessments of Water and Sanitary Services under Part 7 of the Local Government Act 2002. The primary purpose of an assessment of sanitary services is to ensure that public health is adequately protected. The legislative requirement reflects concerns expressed by government agencies in recent years that in some parts of New Zealand little thought has been given to the ability to provide water and sanitary services of an acceptable standard sustainably into the future.

Although much of the information required to be included in assessments is already contained in asset management plans and other documents and systems, the Local Government Act 2002 requires that this information is brought together in a form suitable for consideration by elected members of Councils and by their communities.

The Hutt City Council assessments of Water and Sanitary Services are summarised below, with a full assessment for each service available from Council on ph: (04) 570 6666.

Assessments have been prepared for the following water services:

- Water Supply
- Wastewater
- Stormwater.

The following sanitary services assessments are also included:

- Cemeteries and Crematoria
- Solid Waste
- Public Toilets.

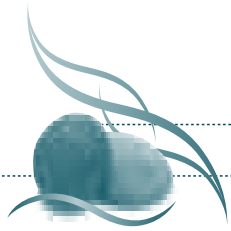
### Water Supply Assessment

Urban areas of Hutt City are serviced by a reticulated water supply system comprising approximately 685 km of pipes, 25 water storage reservoirs and 13 pumping stations. This system distributes water purchased from The 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 Orongoronga 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 roof water run-off or from streams on their properties, although there is 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 roof water 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**

There is not expected to be a significant change in water consumption in Hutt City over the next 20 years unless measures such as water metering are introduced.

**Key Issues and Hutt City Council Proposals**

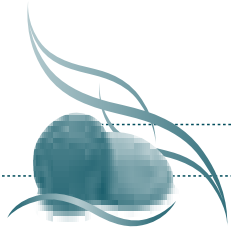
Issues associated with the water supply to the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of Hutt City Community Outcomes.

Issue	Hutt City Council Proposal
<p><b>Non-chlorination of Artesian Water Supply</b></p> <p>The artesian water supply in Hutt City is not chlorinated. This means that there is no disinfecting agent in the water to counteract contaminants that may enter the water system. It also means that the water is free from the odour and taste of chlorine and from chlorine by-products.</p> <p>The Hutt City artesian water supply system is managed to high standards, which recognise that although the likelihood of contamination of the Hutt City water supply system is lower than for most other public water supplies, the potential consequences of contamination are greater than for chlorinated water supplies.</p> <p>Despite a history of satisfactory performance there remains a higher risk associated with the Hutt Valley artesian water supply (with respect to the consequences of contamination of the water) than for chlorinated water supplies. This is reflected in the Bb grading by the Ministry of Health for the Hutt Valley artesian water supply. It is likely that an Aa or A1a grading could be achieved if the supply was chlorinated.</p>	<p>That Hutt City Council carries out a process of consultation to inform the community of the risks associated with the non-chlorination of the public water supply and to obtain community views on:</p> <ul style="list-style-type: none"> <li>• Acceptance of a higher level of risk and retention of an unchlorinated artesian water supply</li> <li>• Rejection of a higher level of risk and acceptance of chlorination of the artesian water supply.</li> </ul>



Issue	Hutt City Council Proposal
<p>The level of community awareness of the low level of the risk associated with the current non-chlorinated water supply is uncertain and community acceptance or otherwise of this risk has not been determined.</p>	
<p><b>Non-fluoridation of Petone Water Supply</b>                      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>

Issue	Hutt City Council Proposal
<p><b>Level of Security of Bulk Water Supply Against Water Shortages</b>                      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. This 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)</li> <li>• A reduction in the average per capita water consumption from the public water supply if the current level of security of supply is to be maintained.</li> </ul> <p>The Councils in the Wellington metropolitan area are working towards a combined approach to reducing water consumption as an alternative to expansion of the bulk water system.</p>	<p>That a co-operative 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>



Issue	Hutt City Council Proposal
<p><b>Heavy Metals Leaching out of Plumbing</b> Some plumbing fittings contain heavy metals such as lead, which can be leached into the water supply.</p>	<p>This issue is not confined to Hutt City. It is proposed that Hutt City Council request the Ministry of Health to produce material to inform communities in New Zealand of this risk, of the advantages of not using the “first flush” of water for consumption, and to consider limits on some metal levels in fittings for potable (drinking water) plumbing.</p>
<p><b>Eastbourne – Security of Supply</b> 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 owing to an inability for Eastbourne to be supplied from an alternative source.</p>	<p>Commence investigations into the need for a reservoir at the southern end of Eastbourne to improve the security of the water supply to Eastbourne.</p>

Issue	Hutt City Council Proposal
<p><b>Silverstream Bulk Water Supply Pipeline</b> The main bulk water supply pipeline from 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>The 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 replacement of the Silverstream Bridge.</p>
<p><b>Private Water Supplies</b> Most private water supplies are sourced from roof water run-off 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>That Hutt City Council provides information on the risks associated with on-site water supplies and how these can be managed. 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>



Issue	Hutt City Council Proposal
<p><b>Information on Private Water Supply Systems</b> Information on private water supplies for individual properties is limited.</p>	<p>That Hutt City Council establishes a database of private water supply systems in Hutt City and carries out inspections of a proportion of on-site water supplies as part of maintaining this database.</p>

**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 that 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 The 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:

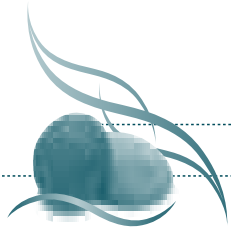
- Making recommendations on standards and policy

- 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 recommended 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.



**Wastewater Assessment**

Urban areas of Hutt City are serviced by a reticulated wastewater system that 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 559 km of relatively small diameter pipes (typically 150 mm to 225 mm in diameter). The local wastewater reticulation discharges into a system of 94 km of trunk sewers (ranging up to 1,350 mm in diameter) which convey wastewater to the treatment plant at Seaview.

Most wastewater pipelines operate by gravity drainage (they run downhill) although there are 41 pumping 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 18 km long 1,350 mm 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 by-product 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 by landfilling.

The flow through the treatment plant is approximately 52,000 cubic metres per day averaged over the entire year or approximately 40,000 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
CBOD5 (g/m3) (Carbonaceous Biochemical Oxygen Demand over 5 days – a measure of the potential for carbonaceous material in the wastewater to deplete levels of dissolved oxygen)	192	8	50
Suspended solids (g/m3) (A measure of the level of finely suspended material)	231	18	50
Faecal coliforms (cfu/100ml) (A measure of levels of bacteria originating from the gut of animals including humans)	1,000,000	284	1,000

\* Average Values over the period October 2002 – March 2004

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 that 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.

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 that 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 further environmental monitoring is recommended.

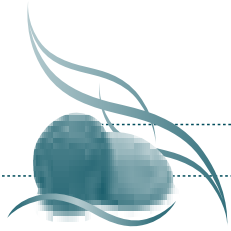
**Future Demand**

According to Statistics New Zealand forecasts there is not expected to be significant population growth in Hutt City or Upper Hutt City over the next 20 years. Demand projections estimate 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**

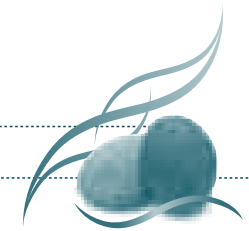
Issues associated with wastewater disposal from the different communities in Hutt City have been identified in terms of their potential to compromise the achievement of health and environmental aspects of Community Outcomes for Hutt City.

Issue	Hutt City Council Proposal
<p><b>Future Effluent Disposal from the Seaview Treatment Plant</b></p> <p>The Main Outfall Sewer that conveys effluent from the Seaview Treatment Plant to the outfall to the ocean at Pencarrow Head has an estimated remaining life of 20 years. Either rehabilitation of the pipeline or an alternative means of effluent disposal (which could be a replacement pipeline) will be necessary.</p> <p>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. Any adverse effects may influence a decision on future effluent disposal.</p>	<p>Investigations, consultations and preparation for a new Resource Consent application for the future disposal of effluent from the Seaview Treatment Plant are in progress.</p>



Issue	Hutt City Council Proposal
<p><b>Wastewater Overflows to the Waiwhetu Stream</b></p> <p>There are wastewater discharges to the Waiwhetu Stream during heavy rainfall owing to excessive stormwater entry to the wastewater system in the Leighton Avenue area.</p>	<p>To continue implementation of a comprehensive strategy of integrated measures to reduce the wet weather loading on the wastewater system to acceptable levels. This strategy includes:</p> <ul style="list-style-type: none"> <li>• Reducing direct discharges of stormwater to the wastewater system through inflow reduction programmes</li> <li>• Programmes for the replacement of defective public drains</li> <li>• Development of a policy on the replacement of private drains identified as not meeting required standards</li> <li>• Provision of storage for peak wet weather flows</li> <li>• Provision of additional system capacity to reduce localised constrictions in the wastewater system (taking account of effects of the additional flows on the wastewater system downstream).</li> </ul>

Issue	Hutt City Council Proposal
<p><b>Wet Weather Overloading of the Wastewater System</b></p> <p>Problems are also experienced with overloading of the wastewater system in other areas of the city owing to excessive stormwater entry to the wastewater system during heavy or prolonged rainfall. At other times the wastewater system 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. The recent priority has been the Leighton Avenue area. It is proposed that a wastewater overflow management plan for Hutt City 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 city-wide wastewater overflow management plan.</p>
<p><b>Coliform Levels – South End of Eastbourne</b></p> <p>Relatively high coliform levels have been recorded in the sea in the vicinity of a property at the end of Eastbourne that retains a septic tank for wastewater disposal.</p>	<p>It is proposed to carry out further investigations into possible links between the septic tank and coliform levels; and investigate the possibility of providing a reticulated wastewater connection to this property in conjunction with any alterations to the wastewater infrastructure as part of the proposed redevelopment of the Korohiwa area.</p>



Issue	Hutt City Council Proposal
<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>Hutt City Council has commenced the preparation of a database of on-site wastewater disposal systems in the city. It is proposed that this be aligned with a similar regional database being prepared by The Greater Wellington Regional Council.</p> <p>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 The Greater Wellington Regional Council. This programme would include site inspections of a proportion of on-site wastewater systems.</p>
<p><b>Wet Weather Discharges from the Western Hills Trunk Sewer</b> High wet weather flows from Upper Hutt and to a lesser extent from Stokes Valley can cause overloading of the Western Hills trunk sewer and downstream infrastructure leading to overflows to the Hutt River south of Manor Park.</p>	<p>Plans are well advanced for the construction of a wet weather peak flow storage facility at Silverstream. This \$10 million facility scheduled for completion by June 2006 is intended to reduce overflows from the Western Hills trunk sewer to an average of once per year.</p>

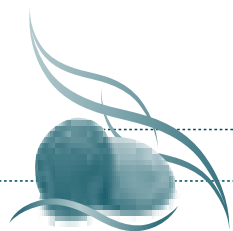
**Roles of Hutt City Council – Public Wastewater System**

Hutt City Council is responsible for ensuring the public wastewater system is managed in a way that 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 recommendations 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.

#### **Stormwater Assessment**

Residential properties and the business community in developed areas of Hutt City are serviced by a reticulated stormwater system comprising approximately 515 km of stormwater pipes, 10,700 manholes, five retention dams and nine pumping stations which convey stormwater to receiving watercourses. The stormwater pipelines in the Hutt City system range in size from 100 mm to 1,800 mm in diameter with 65% of the pipes being between 225 mm and 450 mm in diameter.

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 nine stormwater pumping stations provide drainage from localised low-lying areas when gravity drainage is not effective.

The Greater Wellington Regional Council is responsible for managing the 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.

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 floodpaths, 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 that 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 run-off 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 run-off and in particular the “first flush” of stormwater run-off 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 owing 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 that is suitable for swimming although water quality usually falls for a period following heavy rainfall.

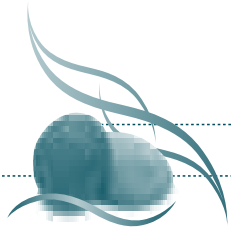
**Future Demand**

Development in the city is not expected to be of a scale which will substantially increase stormwater run-off overall, although it may be significant in localised areas. The focus of stormwater management in the future is likely to shift 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 run-off 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
<p><b>Managing Adverse Effects of Stormwater Run-off</b></p> <p>Flooding owing to overloading of the stormwater system.</p> <p>Climate change eroding the level of protection against flooding provided by the stormwater system.</p> <p>Degradation of watercourses owing to contaminated stormwater run-off.</p>	<p>Hutt City has adopted a range of measures in response to these issues. With the flooding that has occurred in recent years the point has now been reached where it is proposed that these measures and additional measures that may be appropriate are formalised in a comprehensive stormwater strategy for Hutt City. This would be developed with input from and as a basis for consultation with the community and would enable the approach to stormwater management adopted by Hutt City Council to be more clearly communicated to the community.</p> <p>The strategy would include environmental as well as flood-related aspects of stormwater management. It is proposed that the development of a comprehensive stormwater strategy for Hutt City be commenced in the 2005/2006 year.</p>



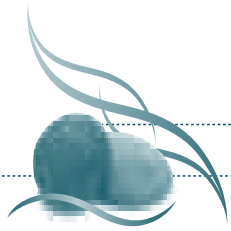
Issue	Hutt City Council Proposal
<p><b>Adequacy of Black Creek Channel – Wainuiomata</b> Overtopping of the Black Creek Channel during severe rainfall.</p>	<p>Hutt City Council has completed a hydraulic study of Black Creek as a basis for a programme of major upgrading which will substantially decrease the flood risk associated with this channel. The physical works will be spread over several years with major works having started in 2005.</p>
<p><b>Secondary Floodpaths</b> Lack of secondary floodpaths 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 floodpaths in new (greenfields) developments to safely convey floodwater when the stormwater pipes are overloaded. Providing secondary stormwater floodpaths 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 floodpaths. It is proposed that the provision of stormwater floodpaths will be incorporated in a stormwater strategy for the city.</p>

Issue	Hutt City Council Proposal
<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 continue to improve stormwater outlets on beaches where practical. This is determined on a case-by-case basis. It is also proposed that the approach taken to stormwater outlets will be set out in a stormwater strategy for the city.</p>
<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 floodpaths 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. It is further proposed that the management of private watercourses including responsibilities of the various parties will be formalised in a stormwater strategy for the city.</p>



Issue	Hutt City Council Proposal
<p><b>Stormwater Capacity in Areas of Stokes Valley</b></p> <p>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 floodpaths.</p>	<p>It is proposed that the provision of new main stormwater pipelines in areas where repeated problems have been experienced will be investigated as an option in a stormwater strategy for Hutt City.</p>
<p><b>State Highway 2 Obstructing Overland Flow of Floodwater</b></p> <p>There are several low lying areas between State Highway 2 (SH2) and the base of the Western Hills where floodwater may be trapped behind the State Highway.</p>	<p>It is proposed that a detailed assessment of the level of risk in low lying areas between SH2 and the Western Hills be carried out and options to mitigate any significant risks be identified. It is proposed that the assessment be incorporated into a comprehensive stormwater strategy for Hutt City.</p>

Issue	Hutt City Council Proposal
<p><b>High Floodwater Levels in the Awamutu Stream</b></p> <p>Flooding has been experienced owing to high water levels in the Awamutu Stream.</p>	<p>Water levels in the Awamutu Stream depend significantly on levels in the Waiwhetu Stream. It is proposed to further investigate the upgrading of the Awamutu Stream channel and options for lowering downstream water levels as part of the modelling of the Awamutu and Waiwhetu Streams, which is currently in progress. The outcome of the investigation is proposed to be incorporated in a stormwater strategy for Hutt City.</p>
<p><b>High Floodwater Levels in the Waiwhetu Stream</b></p> <p>Flooding has been experienced owing to high water levels in the Waiwhetu Stream.</p>	<p>The 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.</p> <p>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 in a stormwater strategy for Hutt City.</p>



Issue	Hutt City Council Proposal
<p><b>Flooding From the Hutt River</b> 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 an \$80 million programme of works being implemented by The Greater Wellington Regional Council.</p>
<p><b>Backflows from the Hutt River</b> A backflow from 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 a comprehensive stormwater strategy for Hutt City.</p>

Issue	Hutt City Council Proposal
<p><b>Flooding in the Hutt River Coinciding With Heavy Rainfall in the Hutt Valley</b> 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 the establishment of defined criteria/policy on backflow protection and that the outcome is incorporated into a comprehensive stormwater strategy for Hutt City.</p>
<p><b>High Flood Levels in the Opahu Stream</b> High flood levels in the Opahu Stream can lead to flooding in adjacent areas.</p>	<p>Major works have substantially increased the capacity of the Opahu Stream. A major pumping station on the outlet from the stream to the Hutt River is to be constructed in 2005/2006. It is proposed that the remaining flood risk associated with the Opahu Stream channel be investigated as a basis for possible inclusion in a stormwater strategy for Hutt City.</p>





Issue	Hutt City Council Proposal
<p><b>Overland Flows in Rural Areas</b> Problems have been experienced with overland flows of floodwater resulting from the overtopping of the Wainuiomata Stream.</p>	<p>Investigations into measures to alleviate this problem have identified a combination of remedial measures that are being implemented. During heavy rainfall stormwater run-off 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>

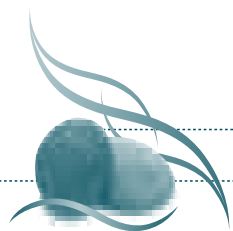
**Roles of Hutt City Council – Stormwater Management**

Hutt City Council is responsible for ensuring that the effects of stormwater run-off are managed in a way that 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 run-off
- 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 recommendations 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 standard



- Monitoring performance as an input to the monitoring of the stormwater activity by Hutt City Council.

### **Cemetery Services Assessment**

Local Authorities are not legally required to provide public cemeteries and crematoria; however, they are required to ensure that provision is made. Hutt City Council (along with most other Councils) does provide cemeteries for the community. The only other organisations providing cemeteries are churches, the Rununga and the Wellington Tenth Trust. There is no crematorium provided in the territory managed by the Hutt City Council.

Hutt City Council owns and operates one working cemetery, Taita Lawn Cemetery (including ashes interment) and one ashes interment facility, Wainuiomata Garden of Remembrance. The Hutt City Council is responsible for the maintenance of three historic cemeteries: St James Churchyard, the Wesleyan Cemetery in Bridge Street and Korokoro Cemetery. This assessment primarily concentrates on the provision of services and plots at Taita Lawn Cemetery.

Council manages its cemeteries to match the policies outlined in Council's Bylaw and Cemetery Business Review 1997. A Contract is in place for the maintenance, administration and interment services at Council's cemeteries.

This assessment considers issues relating to public health and provision of cemeteries by analysing population, customer satisfaction survey results, and requests for service from members of the public, as well as comments from contractors and local funeral directors.

Population is expected to increase until 2006 and then start to decline. The forecast for interments indicates that the number of interments will generally rise between 2005 and 2015. Statistics also predict a change in the balance of ashes interments and burials (body interments) taking place at Taita Lawn Cemetery. It is likely that the number of interments taking place in the form of ashes will increase, while burials will decrease.

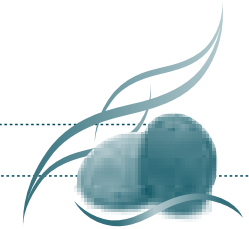
The assessment of future demand indicates that Taita Lawn Cemetery will cater for first interments (burial) until approximately 2010 to 2012. The Wainuiomata Garden of Remembrance facility will reach capacity in approximately 2008. There is no practical opportunity for further expansion to provide for additional first interments at Taita Lawn Cemetery. It will be necessary to develop a new cemetery to cope with first interments (burial) at another site. There is scope to expand the Wainuiomata Garden of Remembrance to cope with interments until at least 2024. Investigations into sites where a new cemetery could be developed have been undertaken. Council's current position is to develop land it owns on Akatarawa Road or to provide a joint service with the Upper Hutt City Council at their site on Akatarawa Road.

This Sanitary Services Assessment has not identified any health issues related to the Hutt City Council's provision of cemeteries. Planning for provision of burials at a new site is the most significant cemetery issue Council must deal with in the near future.

### **Solid Waste Services Assessment**

Hutt City Council provides waste and recycling collection, and waste disposal services, to the community. The Hutt City Council Bylaw 1997, Part 14, sets out the services provided by Council. Private organisations also provide waste disposal and recycling services to the community.

Hutt City Council owns two landfills, which are open to the public – one in Wainuiomata and the other in Silverstream. Council manages the landfill assets, including lifecycle management and renewal of facilities as demand requires. The landfills are operated under contract, as are waste and recycling collection services. Additional private recycling and waste collection services are provided for the Hutt City community. All of these facilities are considered when assessing the level of provision of waste disposal services in the city.



This assessment considers issues relating to public health and the provision of waste management services, by analysing population and business projections, customer satisfaction survey results, requests for service from members of the public, as well as staff and contractor interviews, health and safety requirements, contract management and quality assurance processes and asset management plan information.

Hutt City population is predicted, by Statistics New Zealand, to start to decline, with business numbers expected to rise. Council initiatives to reduce, reuse and recycle refuse are in place. It is assumed that any increase in waste produced by residents and businesses in the short term will be offset by the updated various waste minimisation programmes.

Council has systems in place to attend to any issues that pose a risk to public health as a priority. No public health or future demand issues have been identified for Hutt City solid waste services.

Additional landfilling capacity is being developed at the Silverstream landfill to accept waste for the next 50 years. A new private recycling facility is also being constructed to meet additional demand. These new facilities, along with current waste management services and Council initiatives to reuse, reduce and recycle waste, are expected to be adequate for current and future demand.

#### **Proposals**

This assessment of solid waste services proposes that Council undertake ongoing improvements to services. These proposals are listed below:

- Continuing improvement of performance levels with regard to landfill operation, health and safety and asset condition
- Improvement of service levels by monitoring customer satisfaction, and advice from contractors and consultants.

#### **Public Toilet Services Assessment**

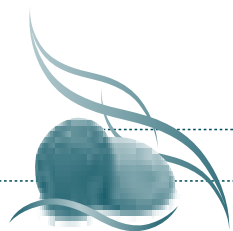
Hutt City Council owns/operates 27 toilet facilities that are available to the public on a daily basis (three of these are open during summer only). Additional toilets are provided for users of public facilities, such as sportsgrounds, swimming pools, libraries and museums. Private and other government organisations also provide toilets to the public and to customers. There is also one private wastewater disposal site for caravans/campervans in Hutt City. All of these facilities are considered when assessing the level of provision of public toilet services in the city.

Council manages its public toilet assets, considering upgrade, renewal and additional facilities, as demand requires. Contracts are in place for regular maintenance, security and cleaning.

This assessment considers issues relating to public health and provision of toilets by analysing population, business and visitor projections, customer satisfaction survey results, requests for service from members of the public, as well as staff and contractor interviews.

Population is expected to start to decline while business and visitor projections are expected to rise. There are currently no signs of overuse of Council-owned toilets, and Council has systems in place to attend to any issues that pose a risk to public health as a priority.

The assessment of future demand indicates that the current location and capacity of facilities is adequate for current and future demand over the next five years. Investigation into whether additional waste disposal sites (for campervans/caravans) are required will take place in the short term.



### **Proposals**

This assessment of public toilets proposes that Council undertake ongoing monitoring, upgrade and construction of new public toilet facilities. These proposals are listed below:

#### *Monitoring of Toilet Condition and Performance*

Council will continue to monitor the condition of public toilets through Council officers and contractor reports. Service performance is monitored through feedback from the public directly to Council, through Community Boards, Ward Committees and Communitrak surveys.

#### *Ongoing Upgrade Programme to Address Deficiencies*

Council will continue to upgrade public toilets as they are required, in consultation with the community through the LTCCP process or as required.

#### *Raising public awareness*

Council will assess and improve the signage of public toilets from main through routes and shopping areas if required.

More information will be provided on Council public toilet locations on the Council website and through the Visitor Information Centre.

#### *Ongoing Consultation with Community*

Council will continue conducting Communitrak surveys to ascertain customer satisfaction with service. Consultation with the community will continue when new toilet facilities are proposed.

#### *Provision of new toilet facilities*

Where a shortage of toilets is identified in the future, Council will consider seeking agreement with local businesses to provide facilities, where Council would contribute to the maintenance and upkeep of the toilet, and the business could provide additional security.



## SUMMARY OF 2004 WASTE MANAGEMENT PLAN

The Hutt Valley Waste Management Plan (WMP) outlines the high level strategy for the future by which the Hutt City Council and the Upper Hutt City Council will jointly manage waste. The WMP breaks new ground for both Councils for the following reasons:

- It will be the first time both councils have worked together to produce a WMP for the Hutt Valley
- It addresses both solid and liquid waste
- The WMP has been prepared using the new policy framework established by the New Zealand Waste Strategy (NZWS) – Towards zero waste and a sustainable New Zealand. Prior to this Strategy there were no national standards or targets concerning the management of waste.

The NZWS outlines a series of national targets for waste management and waste reduction. At this stage the NZWS is not legally binding on territorial local authorities – provided positive progress is made to meet targets. If not, government may consider this as an option.

The WMP comes in three sections. The first section outlines what each Council currently has in place, with respect to the management of solid and liquid waste in the Hutt Valley. The second section outlines the proposed Hutt Valley waste targets (which are the same as the NZWS targets) and reports on progress to date in meeting each target. The third section projects into the future and explores issues and opportunities to further reduce waste in the Hutt Valley.

Positive progress has been made on several fronts to manage and reduce waste in the Hutt Valley. This work is set to continue. However, it is possible that the NZWS targets for organic wastes and construction and demolition wastes will not be met within the set timeframes. While there are no available solutions at this point, both Councils are aware of the issues involved and are keen to investigate options that are economically, socially and environmentally feasible.

A copy of the full 2004 Waste Management Plan can be obtained by contacting Council on ph: (04) 570 6666 or going to: [www.huttcity.info/council/services/works/rubbish](http://www.huttcity.info/council/services/works/rubbish)

### DOCUMENT PURPOSE

The vision for managing waste in the Hutt Valley is to move towards zero waste and a sustainable New Zealand. The objectives for the WMP are as follows:

- To promote and encourage cost-effective, efficient and sustainable waste management practices within the Hutt Valley
- To minimise the quantity of waste being generated and disposed of within the Hutt Valley by providing strategies and tactics to encourage waste reduction, reuse, recycling, and recovery before residual disposal.

The Local Government Act 2002 continues the original requirements of the 1996 Local Government Amendment Act No 4. This legislation requires that Councils effectively and efficiently manage waste from the point of generation through to disposal. The legislation also requires that the WMP take into consideration the waste management hierarchy that involves a combination of methods including reduction, reuse, recycling, recovery, treatment and disposal.

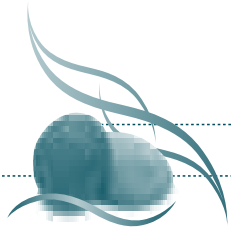
The Plan focuses on the management of solid and liquid waste in the Hutt Valley. The Plan does not specifically address gaseous waste, as this is outside the role of both Councils.

It will be reviewed at least every three years. Both Councils will also include details in their respective Annual Reports about the progress achieved during the reporting period.

The WMP is consistent with New Zealand's international obligations under the Kyoto Protocol, national policies, regional policies, and existing Council waste management policies.

Under the Kyoto Protocol New Zealand's commitment is to limit its total emissions of greenhouse gases to 1990 levels, on average, over the period 2008-2012.

Within New Zealand emissions of methane from landfills are projected to decrease, given the trend towards building larger, better designed landfills and a continuing increase in the collection of landfill gas for energy.



With respect to wastewater, total gas emissions, were projected to increase after 2000, but are projected to remain below 1990 levels in 2020.

### LINKAGE TO THE COMMUNITY PLAN

Each city's Community Plan is put together by the respective community and Council, and sets the city's strategic direction for the next 10 years. The Community Plan is reviewed once every three years, and the Community Outcomes contained within the document must be reviewed and evaluated once every six years to ensure that Council is on track.

Hutt City Council's Community Plan notes that:

- i. Council's Solid Waste Division contributes to strategic goals and Community Outcomes by:
  - Encouraging waste minimisation and environmentally friendly practices
  - Ensuring refuse is managed and disposed of in a safe, efficient and sustainable manner that maintains the city's natural and aesthetic values
- ii. Council's Wastewater Division contributes to strategic goals and Community Outcomes by:
  - Contributing to the health of the community through the efficient collection, treatment and disposal of wastewater in an environmentally sustainable matter
  - Providing a high quality, cost-effective wastewater system, which supports development in Hutt City.

Hutt City established its first Community Plan for the 2003/2004 financial year.

### NEW ZEALAND WASTE STRATEGY (NZWS)

The WMP has been prepared in accordance with the requirements of the NZWS.

The NZWS is the result of a process involving Local Government New Zealand and the Ministry for the Environment. Together they developed a new national vision for minimising and better managing waste. The NZWS covers solid, liquid and gaseous waste, and recognises that moving towards zero waste and a sustainable New Zealand is a long term challenge. It has three core goals:

- Lowering the social costs and risks of waste
- Reducing the damage to the environment from waste generation and disposal
- Increasing economic benefit by more efficient use of materials.

New Zealand's waste problem is large, and growing. Waste reduction cannot succeed without a system that manages waste from the point of generation through to disposal. A more effective, integrated approach to material and resource efficiency is needed at every stage of production and consumption.

Up to now waste policies have focused on end of pipe solutions by dealing with disposal rather than prevention. Yet there is a direct link between New Zealand's rate of economic growth and the amount of waste we produce. The long term challenge is to break this link and achieve sustainable growth by learning how to use resources more efficiently – to produce more with less.

The NZWS sets challenging national targets, which are addressed in Section 3.0 of the full Plan available on Hutt City's website: [www.huttcity.info](http://www.huttcity.info)

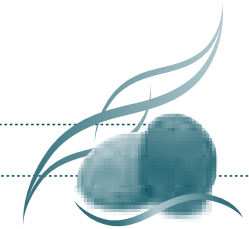
*Forecast* **Financial Statements**







## FORECAST FINANCIAL STATEMENTS 2006-2016



These are the Forecast Financial Statements which Council has adopted to meet the requirements of clause 8 of schedule 10 of the Local Government Act 2002.

It is a requirement of the Local Government Act 2002 to present Forecast Financial Statements that span 10 years. This provides an opportunity for taxpayers 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 management 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 have provided the basis for the development of the Forecast Financial Statements.

The Forecast Financial Statements are based on New Zealand generally accepted accounting practice and comply with New Zealand equivalents of International Financial Reporting Standards for the first time.

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 based on the budget adjusted for expected variances. Actual results for the eleven months to 31 May 2006 are taken into account when determining the expected variances for the financial year
- The “Budget” Council proposes adopting for the coming financial year
- “Forecast” results for the following two years of the Community Plan period
- “Projections” for the remaining years based on extrapolated forecasts adjusted for asset management plan requirements.

### COMPARISON WITH COUNCIL’S FORECAST FINANCIAL STATEMENTS 2005-2015

These Forecast Financial Statements are similar to the 2005-2015 Forecast Financial Statements with the following exceptions:

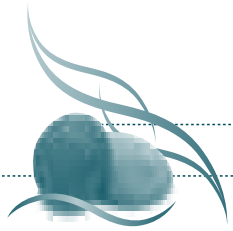
- Projections of future operating revenues and costs, and capital expenditure, have been revised to reflect current estimates and recent Council decisions
- A \$25 million provision has been added to forecast expenditure in 2015 to 2016 for major infrastructure projects funded from debt and property sales
- Projections of future operating revenues and costs, and capital expenditure, have been further adjusted to include inflation estimates as explained under “Significant Assumptions” below
- The Forecast Financial Statements have been amended in terms of disclosures and accounting policies in order to reflect New Zealand equivalents of International Financial Reporting Standards
- The Forecast Financial Statements have been rolled forward to include 2016.

Council intends to update these Forecast Financial Statements annually.

### SIGNIFICANT ASSUMPTIONS

The following assumptions have been adopted by Council in preparing the Forecast Financial Statements:

- Service levels are generally assumed to remain the same for the period covered by the Forecast Financial Statements. Minor service level improvements are planned in relation to certain areas of Council activity as a result of capital projects
- Population is assumed to remain static, or change only marginally. Residential and commercial development is assumed to occur at the equivalent of 200 additional household units each year. Capital expenditure plans in some areas include an allowance for modest future capacity increases to help ensure that service standards remain sustainable



- Provision has been made for inflation based on projections provided by Business and Economic Research Limited in relation to the input cost indices used by Council and the Treasury in relation to the Consumers Price Index. The resulting annual inflation projections range between 1.3% and 4.2%, and average 2.3%
- The average interest rate on debt is assumed to be 6.75%. This is based on the pattern of existing commitments and judgements about future trends
- Each year the fair value of borrowing and interest rate swaps and options is assumed to equate to historical cost
- Asset sale proceeds will be used to repay debt or fund asset purchases
- Net debt will be below \$60 million in June 2010 and \$30 million in 2015
- Depreciation and interest costs will be fully funded from rates and other operating revenue
- Capital expenditure will be funded by loans, capital contributions, transfers from reserves, rate funded depreciation charges and asset sales. More detail is provided in the Funding Impact Statement
- The five-yearly property, plant and equipment revaluations due in 2008 and 2013 will result in valuation increases in line with current trends and forecast inflation
- The Government will continue to pay Land Transport New Zealand subsidies at current levels. The amount is determined by Council's expenditure that attracts subsidies
- The joint entity to manage water-related activities (established together with Wellington City Council) will generate the predicted cost reductions, which amount to \$640,000 per annum by 2009.

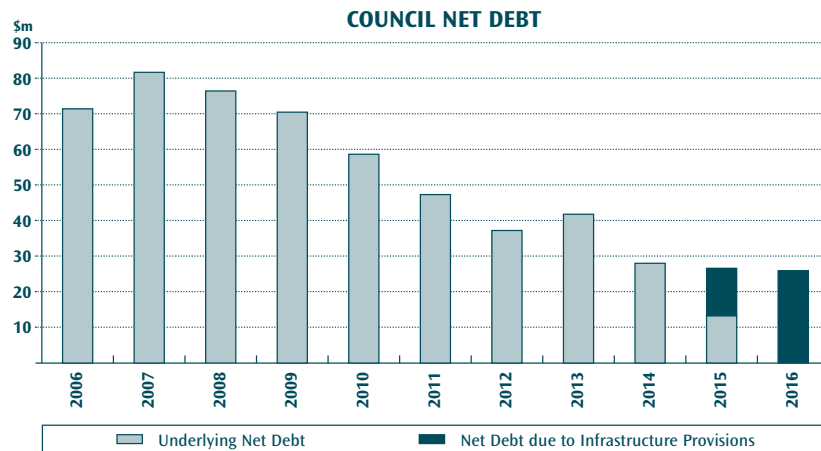
### **SIGNIFICANT RISKS**

Actual results achieved for each reporting period are likely to vary from the information presented, and the variations may be material. In particular, there are several significant risks that could have a material impact on whether Council is able to achieve the financial results indicated in the Forecast Financial Statements.

- Council has estimated the likely proceeds from the sale of assets. There is a risk that the values indicated in the Statement of Prospective Movements in Net Debt will not be realised.
- Expenditure items relating to major projects have been estimated. These include timing and amounts for capital expenditure and operating costs. The outcome of tender evaluation and negotiation processes on these projects may have a material impact on the Forecast Financial Statements.
- In particular, a provision of \$25 million for capital expenditure on certain major projects that are being considered by Council has been included in these Forecast Financial Statements. It is not possible to reliably estimate the timing and the amount of Council's share of the related costs. Projects in this category are the proposed cross-valley link, roading improvements in the CBD and certain additional flood prevention works.
- The rate of inflation and interest rates may differ significantly from the assumptions used in preparing these Forecast Financial Statements. These differences could materially alter the actual results achieved in future years.

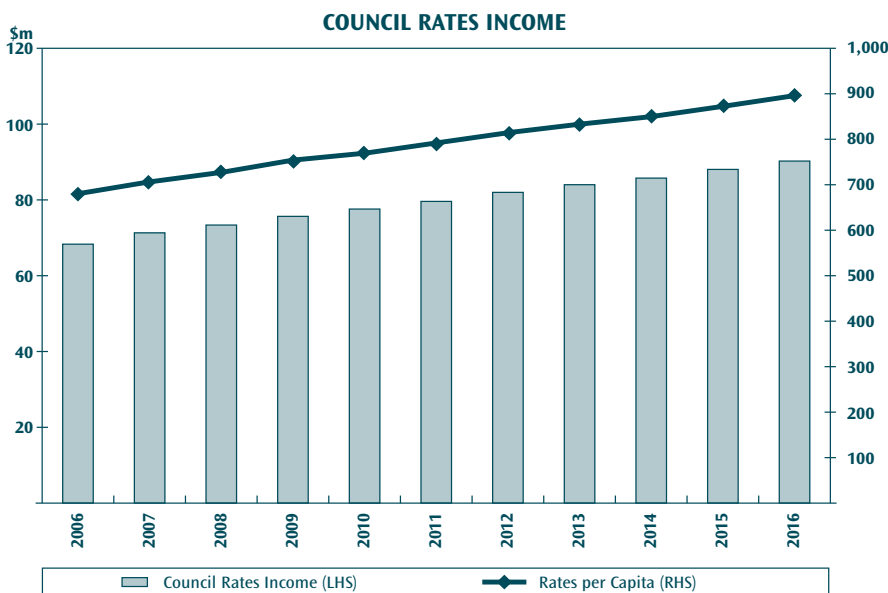
### **COMMITMENTS AND CONTINGENCIES**

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 shows the projected level of net debt in the Forecast Financial Statements. Council plans to achieve a significant reduction in net debt. In fact, net debt would be fully repaid by 2016, except that Council has budgeted \$25 million in 2015 to 2016 for additional infrastructure investment.



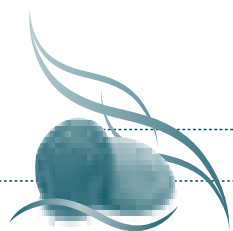
### COUNCIL RATES INCOME

The graph shows the projected level of rates income in the Forecast Financial Statements. Councils plans to increase rates income by only 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 0.5% per year.

### AUTHORISATION

These Forecast Financial Statements were authorised for issue by Hutt City Council on 29 June 2006.

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.



**FORECAST FINANCIAL STATEMENTS – PROSPECTIVE OPERATING COST OF ACTIVITIES**

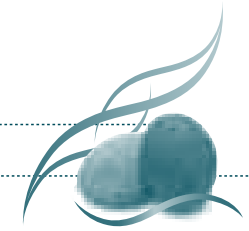
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>PEOPLE</b>											
Libraries	6,187	6,534	6,656	6,873	6,972	7,055	7,153	7,344	7,515	7,572	7,635
Museums	1,991	2,512	2,606	2,656	2,700	2,737	2,773	2,842	2,899	2,926	2,957
Aquatics and Recreation	4,864	5,087	5,468	5,623	5,708	5,795	5,887	6,026	6,148	6,207	6,272
Parks and Reserves	8,981	9,299	9,424	9,678	9,814	9,908	9,998	10,227	10,421	10,485	10,602
Community Support	2,103	2,296	2,336	2,407	2,466	2,522	2,577	2,634	2,683	2,724	2,765
Community Property	3,450	3,912	4,003	4,015	3,988	3,966	3,946	4,033	4,110	4,071	4,064
<b>Total operating cost of people activities</b>	<b>27,576</b>	<b>29,640</b>	<b>30,493</b>	<b>31,252</b>	<b>31,648</b>	<b>31,983</b>	<b>32,334</b>	<b>33,106</b>	<b>33,776</b>	<b>33,985</b>	<b>34,295</b>
<b>UTILITY SERVICES</b>											
Roading and Traffic	19,628	20,316	20,930	21,624	21,689	21,661	21,661	22,429	23,123	23,102	23,352
Water Supply	11,966	12,315	12,774	13,221	13,477	13,694	13,933	14,430	14,870	15,052	15,316
Wastewater	14,884	15,852	16,579	17,192	17,406	17,558	17,717	18,774	19,756	19,844	20,035
Stormwater	4,955	5,202	5,403	5,577	5,597	5,596	5,601	5,809	5,994	6,112	6,304
Solid Waste	5,230	5,148	5,541	5,801	5,958	6,111	6,274	6,470	6,664	6,812	6,948
<b>Total operating cost of utility services activities</b>	<b>56,663</b>	<b>58,833</b>	<b>61,227</b>	<b>63,415</b>	<b>64,127</b>	<b>64,620</b>	<b>65,186</b>	<b>67,912</b>	<b>70,407</b>	<b>70,922</b>	<b>71,955</b>
<b>ENVIRONMENT</b>											
Environmental Management	5,689	6,009	6,154	6,329	6,478	6,613	6,746	6,887	7,008	7,108	7,205
Emergency Management	604	645	662	700	728	739	750	767	779	787	795
<b>Total operating cost of environment activities</b>	<b>6,293</b>	<b>6,654</b>	<b>6,816</b>	<b>7,029</b>	<b>7,206</b>	<b>7,352</b>	<b>7,496</b>	<b>7,654</b>	<b>7,787</b>	<b>7,895</b>	<b>8,000</b>



### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE OPERATING COST OF ACTIVITIES

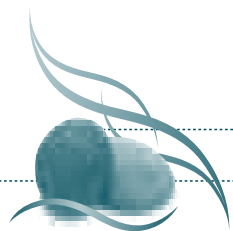
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>ECONOMY</b>											
Local Urban Design	382	968	995	1,023	1,047	1,049	1,055	1,087	1,115	1,117	1,119
Economic Development	2,838	2,488	2,545	2,629	2,626	2,684	2,742	2,800	2,851	2,894	2,937
<b>Total operating cost of economy activities</b>	<b>3,220</b>	<b>3,456</b>	<b>3,540</b>	<b>3,652</b>	<b>3,673</b>	<b>3,733</b>	<b>3,797</b>	<b>3,887</b>	<b>3,966</b>	<b>4,011</b>	<b>4,056</b>
<b>ORGANISATION</b>											
Elected Members	1,572	1,703	1,688	1,739	1,779	1,814	1,965	1,894	1,930	1,956	1,983
Advice and Support	3,239	3,700	3,954	3,899	3,996	4,297	4,167	4,302	4,647	4,471	4,533
Managing Services	607	990	990	1,004	1,026	1,049	1,070	1,093	1,113	1,134	1,158
Consolidated cost adjustments	(2,726)	(2,687)	(2,767)	(2,850)	(2,926)	(2,998)	(3,068)	(3,132)	(3,189)	(3,242)	(3,293)
<b>Total operating cost of organisation activities</b>	<b>2,692</b>	<b>3,706</b>	<b>3,865</b>	<b>3,792</b>	<b>3,875</b>	<b>4,162</b>	<b>4,134</b>	<b>4,157</b>	<b>4,501</b>	<b>4,319</b>	<b>4,381</b>
<b>TOTAL OPERATING COST OF ACTIVITIES</b>	<b>96,444</b>	<b>102,289</b>	<b>105,941</b>	<b>109,140</b>	<b>110,529</b>	<b>111,850</b>	<b>112,947</b>	<b>116,716</b>	<b>120,437</b>	<b>121,132</b>	<b>122,687</b>





### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CAPITAL COST OF ACTIVITIES

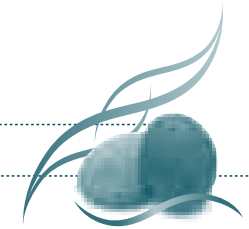
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>ECONOMY</b>											
Local Urban Design	1,480	1,300	722	743	218	223	229	233	238	242	245
Economic Development	280	530	134	32	33	34	34	35	36	36	37
<b>Total capital cost of economy activities</b>	<b>1,760</b>	<b>1,830</b>	<b>856</b>	<b>775</b>	<b>251</b>	<b>257</b>	<b>263</b>	<b>268</b>	<b>274</b>	<b>278</b>	<b>282</b>
<b>ORGANISATION</b>											
Elected Members	–	–	–	–	–	–	–	–	–	–	–
Advice and Support	–	–	–	–	–	–	–	–	–	–	–
Managing Services	1,235	3,149	2,206	2,234	1,630	1,614	2,665	2,364	2,027	2,471	2,236
Consolidated cost adjustments	–	–	–	–	–	–	–	–	–	–	–
<b>Total capital cost of organisation activities</b>	<b>1,235</b>	<b>3,149</b>	<b>2,206</b>	<b>2,234</b>	<b>1,630</b>	<b>1,614</b>	<b>2,665</b>	<b>2,364</b>	<b>2,027</b>	<b>2,471</b>	<b>2,236</b>
<b>TOTAL CAPITAL COST OF ACTIVITIES</b>	<b>38,777</b>	<b>40,557</b>	<b>25,125</b>	<b>24,859</b>	<b>18,891</b>	<b>25,196</b>	<b>24,482</b>	<b>47,440</b>	<b>23,812</b>	<b>37,955</b>	<b>40,451</b>



### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE INCOME STATEMENT

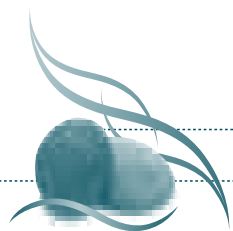
For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>REVENUE</b>											
Rates funding	68,421	71,094	73,867	76,022	77,910	79,886	81,880	83,892	85,996	88,118	90,332
User charges	23,324	23,182	24,864	25,517	26,081	26,659	27,231	27,797	28,377	28,952	29,539
Operating contributions	5,068	5,126	5,293	5,454	5,608	5,751	5,890	6,016	6,135	6,244	6,354
Capital contributions	6,614	4,170	3,678	3,918	4,023	4,152	4,109	4,424	4,245	4,449	4,423
Other revenue	2,698	1,346	1,428	1,381	1,409	1,518	1,469	1,500	1,611	1,558	1,590
<b>Total revenue</b>	<b>106,125</b>	<b>104,918</b>	<b>109,130</b>	<b>112,292</b>	<b>115,031</b>	<b>117,966</b>	<b>120,579</b>	<b>123,629</b>	<b>126,364</b>	<b>129,321</b>	<b>132,238</b>
<b>EXPENDITURE</b>											
Employee costs	17,693	19,472	20,200	20,693	21,146	21,559	21,953	22,326	22,662	22,957	23,252
Operating costs	52,657	54,702	56,018	57,381	59,017	60,837	62,254	63,557	65,098	66,045	67,229
Interest expenditure	4,750	5,450	5,484	5,085	4,494	3,723	3,003	2,806	2,488	1,976	1,902
Depreciation	21,344	22,665	24,239	25,981	25,872	25,731	25,737	28,027	30,189	30,154	30,304
<b>Total expenditure</b>	<b>96,444</b>	<b>102,289</b>	<b>105,941</b>	<b>109,140</b>	<b>110,529</b>	<b>111,850</b>	<b>112,947</b>	<b>116,716</b>	<b>120,437</b>	<b>121,132</b>	<b>122,687</b>
<b>OPERATING SURPLUS BEFORE REVALUATION GAINS AND LOSSES</b>	<b>9,681</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>	<b>4,502</b>	<b>6,116</b>	<b>7,632</b>	<b>6,913</b>	<b>5,927</b>	<b>8,189</b>	<b>9,551</b>
Gain on revaluation of financial instruments	366	–	–	–	–	–	–	–	–	–	–
<b>SURPLUS BEFORE TAX</b>	<b>10,047</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>	<b>4,502</b>	<b>6,116</b>	<b>7,632</b>	<b>6,913</b>	<b>5,927</b>	<b>8,189</b>	<b>9,551</b>
Tax expense	–	–	–	–	–	–	–	–	–	–	–
<b>SURPLUS AFTER TAX</b>	<b>10,047</b>	<b>2,629</b>	<b>3,189</b>	<b>3,152</b>	<b>4,502</b>	<b>6,116</b>	<b>7,632</b>	<b>6,913</b>	<b>5,927</b>	<b>8,189</b>	<b>9,551</b>



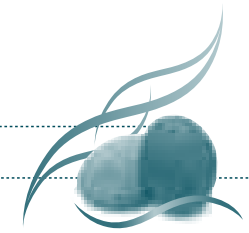


### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE STATEMENT OF CHANGES IN EQUITY

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
Surplus after tax	10,047	2,629	3,189	3,152	4,502	6,116	7,632	6,913	5,927	8,189	9,551
<b>OTHER RECOGNISED REVENUES AND EXPENSES</b>											
Change in asset revaluation reserves and other movements	–	–	185,000	–	–	–	–	116,000	–	–	–
<b>Total recognised revenue and expenses for the year</b>	<b>10,047</b>	<b>2,629</b>	<b>188,189</b>	<b>3,152</b>	<b>4,502</b>	<b>6,116</b>	<b>7,632</b>	<b>122,913</b>	<b>5,927</b>	<b>8,189</b>	<b>9,551</b>
<b>Equity at beginning of the year</b>	731,196	741,243	743,872	932,061	935,213	939,715	945,831	953,463	1,076,376	1,082,303	1,090,492
<b>EQUITY AT END OF THE YEAR</b>	<b>741,243</b>	<b>743,872</b>	<b>932,061</b>	<b>935,213</b>	<b>939,715</b>	<b>945,831</b>	<b>953,463</b>	<b>1,076,376</b>	<b>1,082,303</b>	<b>1,090,492</b>	<b>1,100,043</b>

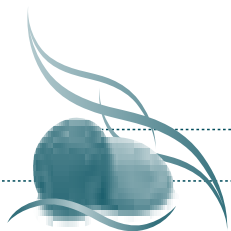

**FORECAST FINANCIAL STATEMENTS – PROSPECTIVE BALANCE SHEET**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>EQUITY</b>											
Accumulated funds	729,898	733,957	737,249	740,348	744,796	751,022	758,598	765,454	771,498	779,627	789,117
Restricted reserves	52	52	52	52	52	52	52	52	52	52	52
Council created reserves	11,293	9,863	9,760	9,813	9,867	9,757	9,813	9,870	9,753	9,813	9,874
Revaluation reserves	–	–	185,000	185,000	185,000	185,000	185,000	301,000	301,000	301,000	301,000
<b>TOTAL EQUITY</b>	<b>741,243</b>	<b>743,872</b>	<b>932,061</b>	<b>935,213</b>	<b>939,715</b>	<b>945,831</b>	<b>953,463</b>	<b>1,076,376</b>	<b>1,082,303</b>	<b>1,090,492</b>	<b>1,100,043</b>
Represented by:											
<b>CURRENT ASSETS</b>											
Cash and cash equivalents	4,699	2,269	1,673	1,738	1,888	1,900	1,981	2,067	1,984	2,082	2,186
Trade and other receivables	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209	7,209
Assets held for sale	4,760	3,190	1,244	1,037	5,240	899	917	935	954	973	–
Other assets	856	856	856	856	856	856	856	856	856	856	856
<b>Total current assets</b>	<b>17,524</b>	<b>13,524</b>	<b>10,982</b>	<b>10,840</b>	<b>15,193</b>	<b>10,864</b>	<b>10,963</b>	<b>11,067</b>	<b>11,003</b>	<b>11,120</b>	<b>10,251</b>
<b>NON-CURRENT ASSETS</b>											
Interest rate swaps and options	–	–	–	–	–	–	–	–	–	–	–
Property, plant and equipment	818,494	832,136	1,016,446	1,013,863	1,001,380	999,598	997,041	1,124,076	1,116,446	1,122,944	1,132,746
Assets under construction	413	413	413	413	413	413	413	413	413	413	413
Intangible assets	859	859	859	859	859	859	859	859	859	859	859
Investment in subsidiaries and associates	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769	2,769
Other assets	359	359	359	359	359	359	359	359	359	359	359
<b>Total non-current assets</b>	<b>822,894</b>	<b>836,536</b>	<b>1,020,846</b>	<b>1,018,263</b>	<b>1,005,780</b>	<b>1,003,998</b>	<b>1,001,441</b>	<b>1,128,476</b>	<b>1,120,846</b>	<b>1,127,344</b>	<b>1,137,146</b>
<b>Total assets</b>	<b>840,418</b>	<b>850,060</b>	<b>1,031,828</b>	<b>1,029,103</b>	<b>1,020,973</b>	<b>1,014,862</b>	<b>1,012,404</b>	<b>1,139,543</b>	<b>1,131,849</b>	<b>1,138,464</b>	<b>1,147,397</b>



### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE BALANCE SHEET

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>CURRENT LIABILITIES</b>											
Borrowings	51,185	59,198	53,277	47,400	50,768	39,541	29,451	33,677	20,056	28,482	27,864
Trade and other payables	5,477	5,477	5,477	5,477	5,477	5,477	5,477	5,477	5,477	5,477	5,477
Provisions	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142	1,142
Other liabilities	13,133	12,133	11,633	11,633	10,633	9,633	9,633	9,633	9,633	9,633	9,633
<b>Total current liabilities</b>	<b>70,937</b>	<b>77,950</b>	<b>71,529</b>	<b>65,652</b>	<b>68,020</b>	<b>55,793</b>	<b>45,703</b>	<b>49,929</b>	<b>36,308</b>	<b>44,734</b>	<b>44,116</b>
<b>NON-CURRENT LIABILITIES</b>											
Borrowings	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000	–	–
Interest rate swaps and options	–	–	–	–	–	–	–	–	–	–	–
Provisions	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238	3,238
<b>Total non-current liabilities</b>	<b>28,238</b>	<b>28,238</b>	<b>28,238</b>	<b>28,238</b>	<b>13,238</b>	<b>13,238</b>	<b>13,238</b>	<b>13,238</b>	<b>13,238</b>	<b>3,238</b>	<b>3,238</b>
<b>Total liabilities</b>	<b>99,175</b>	<b>106,188</b>	<b>99,767</b>	<b>93,890</b>	<b>81,258</b>	<b>69,031</b>	<b>58,941</b>	<b>63,167</b>	<b>49,546</b>	<b>47,972</b>	<b>47,354</b>
<b>NET ASSETS</b>	<b>741,243</b>	<b>743,872</b>	<b>932,061</b>	<b>935,213</b>	<b>939,715</b>	<b>945,831</b>	<b>953,463</b>	<b>1,076,376</b>	<b>1,082,303</b>	<b>1,090,492</b>	<b>1,100,043</b>



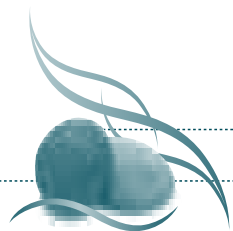
### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CASH FLOW STATEMENT

For the year ending 30 June	Estimate	Budget	Forecast	Forecast	Projection	Projection	Projection	Projection	Projection	Projection	Projection
	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s	\$000s
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>											
<b>Cash was provided from:</b>											
Rates	68,421	71,094	73,867	76,022	77,910	79,886	81,880	83,892	85,996	88,118	90,332
User charges and other income	36,344	33,534	35,004	36,019	36,867	37,823	38,441	39,476	40,107	40,942	41,642
Interest received	190	90	59	51	54	57	58	61	61	61	64
Regional Council rates	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100
	<b>116,055</b>	<b>115,818</b>	<b>120,030</b>	<b>123,192</b>	<b>125,931</b>	<b>128,866</b>	<b>131,479</b>	<b>134,529</b>	<b>137,264</b>	<b>140,221</b>	<b>143,138</b>
<b>Cash was applied to:</b>											
Payments to suppliers and employees	68,427	75,174	76,718	78,074	81,163	83,396	84,207	85,883	87,760	89,002	90,481
Interest paid	4,750	5,450	5,484	5,085	4,494	3,723	3,003	2,806	2,488	1,976	1,902
Regional Council rates	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100
	<b>84,277</b>	<b>91,724</b>	<b>93,302</b>	<b>94,259</b>	<b>96,757</b>	<b>98,219</b>	<b>98,310</b>	<b>99,789</b>	<b>101,348</b>	<b>102,078</b>	<b>103,483</b>
<b>Net cash flows from operating activities</b>	<b>31,778</b>	<b>24,094</b>	<b>26,728</b>	<b>28,933</b>	<b>29,174</b>	<b>30,647</b>	<b>33,169</b>	<b>34,740</b>	<b>35,916</b>	<b>38,143</b>	<b>39,655</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>											
<b>Cash was provided from:</b>											
Sale of property, plant and equipment	2,921	4,760	3,190	1,244	1,037	5,240	899	917	935	954	973
Withdrawals from sinking funds	1,813	–	–	–	–	–	–	–	–	–	–
	<b>4,734</b>	<b>4,760</b>	<b>3,190</b>	<b>1,244</b>	<b>1,037</b>	<b>5,240</b>	<b>899</b>	<b>917</b>	<b>935</b>	<b>954</b>	<b>973</b>

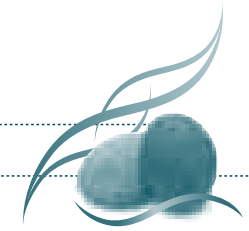


### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE CASH FLOW STATEMENT

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>Cash was applied to:</b>											
Purchase and construction of property, plant and equipment	38,777	40,557	25,125	24,859	18,891	25,196	24,482	47,440	23,812	37,955	40,451
less UHCC capital contribution	(2,535)	(1,260)	(532)	(624)	(462)	(548)	(585)	(7,643)	(499)	(530)	(545)
Contributions to sinking funds	1,597	–	–	–	–	–	–	–	–	–	–
	<b>37,839</b>	<b>39,297</b>	<b>24,593</b>	<b>24,235</b>	<b>18,429</b>	<b>24,648</b>	<b>23,897</b>	<b>39,797</b>	<b>23,313</b>	<b>37,425</b>	<b>39,906</b>
<b>Net cash flows from investing activities</b>	<b>(33,105)</b>	<b>(34,537)</b>	<b>(21,403)</b>	<b>(22,991)</b>	<b>(17,392)</b>	<b>(19,408)</b>	<b>(22,998)</b>	<b>(38,880)</b>	<b>(22,378)</b>	<b>(36,471)</b>	<b>(38,933)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>											
<b>Cash was provided from:</b>											
Funds raised from borrowing	195,699	212,753	230,871	207,231	177,968	191,845	148,074	122,030	121,087	78,650	113,310
	<b>195,699</b>	<b>212,753</b>	<b>230,871</b>	<b>207,231</b>	<b>177,968</b>	<b>191,845</b>	<b>148,074</b>	<b>122,030</b>	<b>121,087</b>	<b>78,650</b>	<b>113,310</b>
<b>Cash was applied to:</b>											
Repayment of borrowings	193,070	204,740	236,792	213,108	189,600	203,072	158,164	117,804	134,708	80,224	113,928
	<b>193,070</b>	<b>204,740</b>	<b>236,792</b>	<b>213,108</b>	<b>189,600</b>	<b>203,072</b>	<b>158,164</b>	<b>117,804</b>	<b>134,708</b>	<b>80,224</b>	<b>113,928</b>
<b>Net cash flows from financing activities</b>	<b>2,629</b>	<b>8,013</b>	<b>(5,921)</b>	<b>(5,877)</b>	<b>(11,632)</b>	<b>(11,227)</b>	<b>(10,090)</b>	<b>4,226</b>	<b>(13,621)</b>	<b>(1,574)</b>	<b>(618)</b>
Net increase/(decrease) in cash	1,302	(2,430)	(596)	65	150	12	81	86	(83)	98	104
Plus cash balance at beginning of the year	3,397	4,699	2,269	1,673	1,738	1,888	1,900	1,981	2,067	1,984	2,082
<b>Cash balance at end of the year</b>	<b>4,699</b>	<b>2,269</b>	<b>1,673</b>	<b>1,738</b>	<b>1,888</b>	<b>1,900</b>	<b>1,981</b>	<b>2,067</b>	<b>1,984</b>	<b>2,082</b>	<b>2,186</b>
Cash balance at end of the year comprises:											
Cash and on call deposits	4,699	2,269	1,673	1,738	1,888	1,900	1,981	2,067	1,984	2,082	2,186
Bank overdraft	–	–	–	–	–	–	–	–	–	–	–
<b>Cash balance at end of the year</b>	<b>4,699</b>	<b>2,269</b>	<b>1,673</b>	<b>1,738</b>	<b>1,888</b>	<b>1,900</b>	<b>1,981</b>	<b>2,067</b>	<b>1,984</b>	<b>2,082</b>	<b>2,186</b>

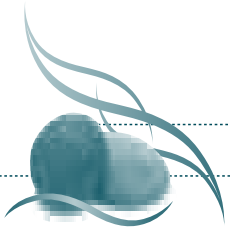

**FORECAST FINANCIAL STATEMENTS – PROSPECTIVE NET DEBT POSITION**

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>NET DEBT AT BEGINNING OF THE YEAR</b>											
Current borrowings	48,163	51,185	59,198	53,277	47,400	50,768	39,541	29,451	33,677	20,056	28,482
Non-current borrowings	24,975	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000	–
Less sinking funds	(216)	–	–	–	–	–	–	–	–	–	–
Less cash and cash equivalents	(3,397)	(4,699)	(2,269)	(1,673)	(1,738)	(1,888)	(1,900)	(1,981)	(2,067)	(1,984)	(2,082)
<b>Net debt at beginning of the year</b>	<b>69,525</b>	<b>71,486</b>	<b>81,929</b>	<b>76,604</b>	<b>70,662</b>	<b>58,880</b>	<b>47,641</b>	<b>37,470</b>	<b>41,610</b>	<b>28,072</b>	<b>26,400</b>
<b>PLUS CAPITAL EXPENDITURE</b>											
Expenditure improving services	24,888	25,119	11,456	9,517	4,313	8,602	7,238	14,766	6,478	19,129	22,536
Expenditure maintaining services	13,889	15,438	13,669	15,342	14,578	16,594	17,244	32,674	17,334	18,826	17,915
<b>Total capital expenditure</b>	<b>38,777</b>	<b>40,557</b>	<b>25,125</b>	<b>24,859</b>	<b>18,891</b>	<b>25,196</b>	<b>24,482</b>	<b>47,440</b>	<b>23,812</b>	<b>37,955</b>	<b>40,451</b>
<b>LESS NON-DEBT FUNDING FOR CAPITAL EXPENDITURE</b>											
Reserve funding	160	1,480	–	–	–	–	–	–	–	–	–
UHCC capital contribution	2,535	1,260	532	624	462	548	585	7,643	499	530	545
Capital subsidies	6,614	4,170	3,678	3,918	4,023	4,152	4,109	4,424	4,245	4,449	4,423
Depreciation	21,344	22,665	24,239	25,981	25,872	25,731	25,737	28,027	30,189	30,154	30,304
<b>Total non-debt funding for capital expenditure</b>	<b>30,653</b>	<b>29,575</b>	<b>28,449</b>	<b>30,523</b>	<b>30,357</b>	<b>30,431</b>	<b>30,431</b>	<b>40,094</b>	<b>34,933</b>	<b>35,133</b>	<b>35,272</b>
<b>LESS ASSET SALE PROCEEDS</b>	<b>2,921</b>	<b>4,760</b>	<b>3,190</b>	<b>1,244</b>	<b>1,037</b>	<b>5,240</b>	<b>899</b>	<b>917</b>	<b>935</b>	<b>954</b>	<b>973</b>



### FORECAST FINANCIAL STATEMENTS – PROSPECTIVE NET DEBT POSITION

For the year ending 30 June	Estimate 2006 \$000s	Budget 2007 \$000s	Forecast 2008 \$000s	Forecast 2009 \$000s	Projection 2010 \$000s	Projection 2011 \$000s	Projection 2012 \$000s	Projection 2013 \$000s	Projection 2014 \$000s	Projection 2015 \$000s	Projection 2016 \$000s
<b>LESS OTHER ITEMS</b>											
Rate funding	2,858	(1,591)	(386)	(819)	425	2,074	3,467	2,432	1,799	3,680	5,067
Cashflow movements	1,302	(2,430)	(596)	65	150	12	81	86	(83)	98	104
Other adjustments	(918)	(200)	(207)	(212)	(1,296)	(1,322)	(225)	(229)	(234)	(238)	(243)
<b>Total other items</b>	<b>3,242</b>	<b>(4,221)</b>	<b>(1,189)</b>	<b>(966)</b>	<b>(721)</b>	<b>764</b>	<b>3,323</b>	<b>2,289</b>	<b>1,482</b>	<b>3,540</b>	<b>4,928</b>
<b>NET DEBT AT END OF THE YEAR</b>											
Current borrowings	51,185	59,198	53,277	47,400	50,768	39,541	29,451	33,677	20,056	28,482	27,864
Non-current borrowings	25,000	25,000	25,000	25,000	10,000	10,000	10,000	10,000	10,000	–	–
Less sinking funds	–	–	–	–	–	–	–	–	–	–	–
Less cash and cash equivalents	(4,699)	(2,269)	(1,673)	(1,738)	(1,888)	(1,900)	(1,981)	(2,067)	(1,984)	(2,082)	(2,186)
<b>Net debt at end of the year</b>	<b>71,486</b>	<b>81,929</b>	<b>76,604</b>	<b>70,662</b>	<b>58,880</b>	<b>47,641</b>	<b>37,470</b>	<b>41,610</b>	<b>28,072</b>	<b>26,400</b>	<b>25,678</b>



## SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### INTRODUCTION

Schedule 10(8) of the Local Government Act 2002 requires forecast financial statements to be included in a long term council community plan. These Forecast Financial Statements have been prepared in accordance with generally accepted accounting practice as required by section 111 of that Act. Council is designated on a public benefit entity for purposes of complying with generally accepted accounting practice.

The Forecast Financial Statements are in full compliance with New Zealand equivalents to International Financial Reporting Standards and are the first financial reports of Council to do so. They comply with Financial Reporting Standard No.42 – Prospective Financial Statements.

This Summary of Significant Accounting Policies supports the Forecast Financial Statements and other budgetary information included in the Community Plan.

### REPORTING ENTITY AND STATUTORY BASE

The Hutt City Council (referred to as “Council”) is a territorial local authority governed by the Local Government Act 2002. Council was first formed as Lower Hutt City Council on 1 November 1989 by the amalgamation of five local authorities. The name was changed to “The Hutt City Council” by a special Act of Parliament on 8 October 1991.

The activities of Council Controlled Organisations (“CCOs”) controlled by Council are included in the Forecast Financial Statements only to the extent of any dividends forecast to be paid to Council. Group prospective financial statements have not been presented as they would not differ significantly from the Forecast Financial Statements presented for Council.

### MEASUREMENT BASE

These Forecast Financial Statements have been prepared using a historical cost basis, modified by the revaluation of certain assets and liabilities as identified in this Summary of Significant Accounting Policies. Accrual accounting has been used to match revenue and expenditure.

### SPECIFIC ACCOUNTING POLICIES

#### Revenue

Rates revenue is recognised when levied on an accrual basis.

Water billing revenue is recognised on an accrual basis. Unbilled sales, as a result of unread meters at year-end, are accrued on an average usage basis.

Subsidies from Land Transport New Zealand and grants from other government agencies are recognised as revenue upon entitlement, which is when conditions pertaining to eligible expenditure have been fulfilled.

Other grants and bequests, and assets vested in Council – with or without conditions – are recognised as revenue when control over the assets is obtained.

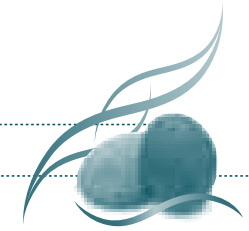
Dividends are recognised on an accrual basis net of imputation credits.

#### Construction Contracts

Profits on contracts are recognised progressively over the period of each contract. The amount recognised in the Income Statement, and the value of contract work in progress, are established by assessment of individual contracts taking into account the proportion of work completed, cost analysis and estimated final results.

Foreseeable losses on a contract are recognised immediately.





### **Goods and Services Tax “GST”**

These Forecast Financial Statements have been prepared exclusive of GST with the exception of accounts receivable and accounts payable, which are stated inclusive of GST. When GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

### **Taxation**

Income tax on the profits or loss for the year comprises current and deferred tax.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantially enacted at the balance sheet date, and any adjustment to tax payable in respect of previous periods.

Deferred tax is provided for in full using the balance sheet liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and amounts used for taxation purposes. However, if the deferred income tax arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting nor taxable profit or loss, it is not accounted for. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. Deferred income tax assets are recognised to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

Deferred income tax is provided on temporary differences arising on investments in subsidiaries and associates, except where the timing of the reversal of the temporary difference is controlled by the Council and it is probable that the temporary difference will not reverse in the foreseeable future.

### **Equity**

Equity is the community’s interest in Council as 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.

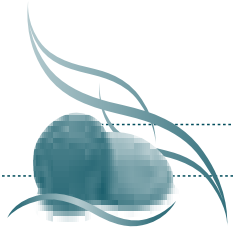
Restricted reserves are subject to specific conditions accepted as binding by Council, which may not be revised by Council without reference to the courts or third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

### **Cash and Cash Equivalents**

Cash and cash equivalents are recognised in the Balance Sheet on an amortised cost basis. However, if evidence of any impairment loss exists, the carrying value is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

### **Sinking Funds**

Funds have been set aside to meet future repayments of certain loans. These funds are invested with the Sinking Fund Commissioners of the City of Lower Hutt and the National Provident Fund. Interest earned on sinking funds is recognised as revenue in the Income Statement.



Sinking Funds are valued at amortised cost in Council's Balance Sheet. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

#### **Trade and Other Receivables**

Trade and other receivables are recognised initially at fair value and subsequently at amortised cost. An allowance is made for doubtful and uncollectable debts by establishing an offsetting provision in the Balance Sheet. Increases and decreases in the provision are recognised in the Income Statement.

#### **Inventories**

Inventories are recognised at the lower of their cost, determined on a first-in first-out basis, and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business, less applicable variable selling expenses.

#### **Property, Plant and Equipment**

Property, plant and equipment consist of:

- *Infrastructure assets.* The fixed utility systems owned by Council, including 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, improvements, library books, plant and equipment, and motor vehicles
- *Restricted assets.* Parks and reserves owned by Council that cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

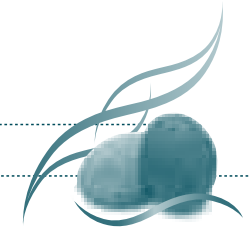
Expenditure is capitalised as property, plant and equipment when it creates a new asset or increases the economic benefits over the total life of an existing asset and can be measured reliably. Costs that do not meet the criteria for capitalisation, or are below the thresholds of \$1,000 for information technology hardware and \$2,500 for other items, are charged to operating expenditure.

#### *Valuation*

All items of property, plant and equipment are initially recorded and subsequently valued at historical cost except for the categories of assets listed below. The initial cost of property, plant and equipment includes the purchase consideration, or the fair value in the case of bequeathed or vested assets, and those costs that are directly attributable to bringing the asset into the location and condition necessary for its intended purpose. Subsequent expenditure that extends or expands the asset's service potential and that can be measured reliably is capitalised. Borrowing costs are not capitalised.

- Land and buildings have been valued at fair value. Revaluations are carried out five-yearly.
- Infrastructure assets have been valued at optimised depreciated replacement cost. Revaluations are carried out five-yearly. The exceptions are:
  - wharves, which are valued at indemnity value, reflecting their minimum residual value
  - traffic signs, which are stated at cost
  - infrastructure land under roads, which is valued at 45% of the average land market value
- 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. Revaluations are carried out five-yearly
- Vested assets are recognised within their respective asset classes at fair value. Vested assets are those assets where ownership and control is transferred to the Council from a third party (for example, infrastructure assets constructed by developers and transferred to the Council on completion of a subdivision). Fair value is determined on a basis consistent with the valuation of existing assets within the class. Vested infrastructure assets result in revenue being recognised in the Income Statement.

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.



Property, plant and equipment valuation increases and decreases are charged to the appropriate asset revaluation reserves. If the decreases would have resulted in a debit balance in the asset revaluation reserve, then this debit balance would be recognised as an expense in the Income Statement.

Any subsequent increase on revaluation that offsets the previous decrease in value in the Income Statement will be recognised first in the Income Statement up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset.

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.

#### *Assets under construction*

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.

#### *Impairment*

The carrying amounts of property, plant and equipment are reviewed at least annually to determine if there is any indication of impairment. Where an asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. The recoverable amount is the higher of an item's fair value less costs to sell and value in use. Losses resulting from impairment are reported in the Income Statement, unless the asset is carried at a revalued amount, in which case any impairment loss is treated first as a revaluation decrease and then as a charge to the Income Statement to the extent that the impairment exceeds the amount in the revaluation reserve in respect of that asset.

#### *Disposal*

Gains and losses arising from the disposal of property, plant and equipment are determined by comparing the proceeds with the carrying amount and are recognised in the Income Statement in the period in which the transaction occurs. Any balance attributable to the disposed asset in the asset revaluation reserve is transferred to retained earnings.

#### *Non-current assets held for sale*

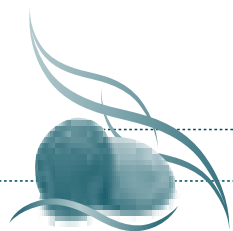
Non-current assets are separately classified as held for sale where their carrying amount will be recovered through a sale transaction rather than through continuing use. A non-current asset is classified as held for sale where:

- The Group is committed to a plan to sell the asset
- The sale is expected to qualify for recognition as a sale within one year from the date of classification or beyond one year where a delay has occurred which is caused by events beyond Council's control and there is sufficient evidence that Council remains committed to its plan to sell the asset
- Actions required to complete the plan to sell the asset indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

A non-current asset classified as held for sale is recognised at the lower of its carrying amount and fair value less costs to sell. An impairment loss is recognised for any initial or subsequent write-down of the asset to fair value less costs to sell.

A gain is recognised for any subsequent increases in fair value less costs to sell of the asset, but not in excess of any cumulative impairment losses previously recognised. Impairment losses or reversal of impairment losses are included in the Income Statement. Any gain or loss not previously recognised by the date of the sale of the asset is recognised at the date of derecognition.

Non-current assets held for sale are not depreciated.



#### *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 26% and 31% 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 Balance Sheet. Funding contributions from Upper Hutt City Council are recognised as revenue in the Income Statement 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.

#### **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.

The expected useful economic lives have been estimated as follows:

<b>Estimated economic lives</b>	<b>Years</b>
<i>Operational assets</i>	
Buildings	50-80
Piers at Seaview Marina	25
Parking meters	15
Office equipment	10
Plant	10
Pay and display	10
Recycling depots	5-10
Playground equipment	5-10
Computer equipment	3-5

#### **Estimated economic lives (continued)**

	<b>Years</b>
<i>Infrastructure assets</i>	
Bridges	75-100
Drainage including manholes and drainpipes	50-80
Kerbing	80
Footpaths	50
Unsealed pavement (base course and sub base)	50
Street lights	29
Wharves	15
Road surface	20
Traffic signals and signs	16
Reservoirs	80
Storm water pipe network assets	60-100
Water pipe network assets	60-90
Seaview wastewater treatment plant	20
Milliscreen plant	26
Pump and gauging stations	20-50
Sewerage pipe network assets	40-80
Gauging, milliscreen and reservoir equipment	15
Pump station control equipment	8-10
Resource consents	consent term



### **Intangible Assets**

Acquired intangible assets are initially recorded at cost. Intangible assets with finite lives are subsequently recorded at cost less any amortisation and impairment losses. Amortisation is charged to the Income Statement on a straight-line basis over the useful life of the asset. Typically, the estimated useful lives of these assets are as follows:

Computer Software	3 to 5 years
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Realised gains and losses arising from disposal of intangible assets are recognised in the Income Statement in the period in which the transaction occurs. Intangible assets are reviewed at least annually to determine if there is any indication of impairment. Where an intangible asset's recoverable amount is less than its carrying amount, it will be reported at its recoverable amount and an impairment loss will be recognised. Losses resulting from impairment are reported in the Income Statement.

### **Investments**

#### *Investments in subsidiaries and associates*

Subsidiaries are entities that are controlled by Council. Associates are entities in which the Council has significant influence, but not control, over their operating and financial policies.

Investments in subsidiaries and associates are valued at cost in Council's Balance Sheet, with investments in associates being adjusted for Council's share of post acquisition gains and losses. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

#### *Other investments*

All other investments are valued at amortised cost in Council's Balance Sheet. However, if evidence of any impairment loss exists, the carrying value of the investment is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

### **Other Assets**

Other assets are recognised in the Balance Sheet on an amortised cost basis. However, if evidence of any impairment loss exists, the carrying value is reduced to the present value of estimated future cash flows. The amount of any resulting reduction in carrying value is recognised as an expense in the Income Statement.

### **Borrowing**

Borrowing is recognised in the Balance Sheet on a fair value basis. Valuation gains and losses are recognised in the Income Statement.

### **Trade and Other Payables**

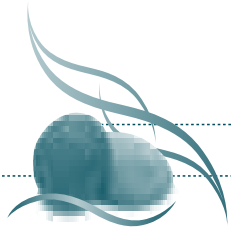
These amounts represent liabilities for goods and services provided to Council prior to the end of the financial year that are unpaid. The amounts are unsecured and are usually paid within 30 days of recognition.

### **Provisions and Other Liabilities**

Provisions or other liabilities are recognised when Council has a present legal or constructive obligation as a result of past events; it is more likely than not that an outflow of resources will be required to settle the obligation; and the amount can be reliably estimated. Provisions and other liabilities are recorded at the best estimate of the expenditure required to settle the obligations. Provisions and other liabilities to be settled beyond 12 months are recorded at their present value.

### **Employee Entitlements**

Provision is made in respect of Council's liability for annual leave, long service leave, and retirement gratuities. Vested leave and retirement entitlements are calculated on an actual basis, applying current rates of pay as appropriate at balance date. A provision is also made for that portion of leave and retirement allowances that has been earned but not yet vested at balance date. This provision is calculated on an actuarial basis based on the present value of earned portion of expected future entitlements.



### Leases

Leases where the lessor effectively retains substantially all the risks and rewards of ownership of the leased items are classified as operating leases. Payments made under these leases are expensed in the Income Statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the Income Statement as an integral part of the total lease payment.

Finance leases transfer to Council, as lessee, substantially all the risks and rewards incident on the ownership of a leased asset. Initial recognition of a finance lease results in an asset and liability being recognised at amounts equal to the lower of the fair value of the leased property or the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in other long term payables. Each lease payment is allocated between the liability and finance charges so as to achieve a constant rate on the finance balance outstanding. The interest element of the finance cost is charged to the income statement over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The leased asset acquired under finance leases is depreciated over the shorter of the useful life of the asset or the lease term.

### Landfill Post Closure Costs

As operator of the Silverstream and Wainuiomata landfill sites, Council has an obligation to ensure 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 Balance Sheet. 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 is Silverstream 30 years, and Wainuiomata 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.

### Financial Instruments

The Council is party to financial instruments as part of its normal operations. These financial instruments include cash and cash equivalents, trade and other receivables, investments, sinking funds, other assets, trade and other payables, borrowing, other liabilities, financial guarantees and interest rate swaps and options.

Revenue and expense arising from these financial instruments is recognised in the Income Statement. The financial instruments are recognised in the Balance Sheet in accordance with the accounting policies described in the corresponding sections of this Summary of Significant Accounting Policies or outlined below.

#### *Financial guarantees*

Financial guarantees are not recognised in the Balance Sheet unless it becomes probable that a financial loss will be incurred as a result of a guarantee.

#### *Interest rate swaps and options*

Council enters into interest rate swaps and options to manage interest rate risk in accordance with Council's Borrowing Management Policy. The following accounting treatments are applied:

- The net differential paid or received on interest rate swaps is recognised as a component of interest expense over the period of the swap agreement



- Interest rate option premiums paid or received and net settlements on maturity are amortised as a component of interest expense over the period of the option cover
- Interest rate swaps and options are stated at fair value in the Balance Sheet with valuation gains and losses recorded in the Income Statement. Council does not adopt hedge accounting. Trade date accounting is used to determine the timing of recognition or derecognition of the resulting financial assets and liabilities
- Any interest differentials paid or received, option premiums and net settlements that are unamortised at balance date are recognised in the Balance Sheet.

#### **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.

#### **Cash Flow Statement**

*Cash* means cash balances on hand, in bank accounts, demand deposits and other highly liquid investments which Council holds as part of its day-to-day cash management.

*Operating activities* include cash received from all income sources within Council and cash paid for the supply of goods and services. Agency transactions (the collection of regional council rates) are recognised as receipts and payments in the Cash Flow Statement given that they flow through Council's main bank account.

*Investing activities* are those activities relating to the acquisition and disposal of non-current assets.

*Financing activities* include the change in equity and debt capital structure of Council.

#### **Comparative Figures**

Council has adopted the New Zealand equivalent International Financial Reporting Standards commencing with this Community Plan. Comparative figures for the 2006 year have been restated to comply with these standards.

#### **CHANGES IN ACCOUNTING POLICIES**

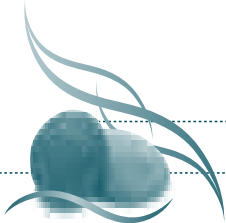
Certain accounting policies have been changed to achieve compliance with New Zealand equivalents to International Financial Reporting Standards for the first time in these Forecast Financial Statements. This has resulted in numerous changes to presentation and classification of items. In a few instances these accounting policy changes have given rise to adjustments to amounts reported. The only significant change of this nature is explained below:

##### **Financial instruments**

Borrowing and interest rate swaps and options are now recorded on the Balance Sheet on a fair value basis. Associated gains and losses are recognised in the Income Statement. Previously the financial instruments were recognised at historical cost (if any).

This accounting policy change has had no effect on the Balance Sheet as the fair value of borrowing is forecast to equal historical cost and the fair value of interest rate swaps and options is assumed to be nil. A gain of \$366,000 is recognised in the Income Statement representing the forecast reversal of fair value adjustments on borrowing, and interest rate swaps and options during the financial year ending 30 June 2006.

There are no other significant changes in accounting policies. All policies have been applied on bases consistent with those used in previous years.





# *Policies*







## **INTRODUCTION TO FINANCIAL AND OTHER POLICIES**

This section contains policies required by the Local Government Act 2002. The policies are:

### **Significance Policy**

This policy is intended to guide Council when making decisions of varying importance to the community. It also lets the community know what to expect in terms of consultation.

### **Policy on Partnerships with the Private Sector**

This policy outlines under what circumstances Council will enter into partnership arrangements with private businesses, what conditions will be imposed and what consultation will take place.

### **Policy on Development and Financial Contributions**

This policy describes what financial contributions Council will require from developers when their property developments impose increased demand on Council services.

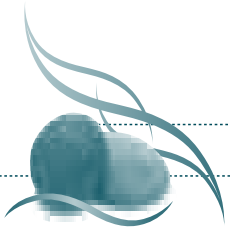
### **Liability Management Policy**

This policy explains Council's approach to managing its liabilities and the ways in which associated risks are controlled.

### **Investment Policy**

This policy explains Council's approach to managing investments.

<b>Page</b>	<b>Revenue and Financing Policy</b>	<b>224</b>
	This policy replaces the Funding Policy that Council adopted under the Local Government Act 1974. The Revenue and Financing Policy utilises much of the analysis contained in the previous policy, although in a revised context. The policy identifies how Council allocates the costs of its activities against available sources of funds, including rates and user charges.	
<b>192</b>		
	<b>Funding Impact Statement</b>	<b>257</b>
	The Funding Impact Statement outlines all funding mechanisms Council intends to use and the level of funds produced by each. The system of differential rating is also defined in the Funding Impact Statement.	
<b>195</b>		
	<b>Policy for Remission and Postponement of Rates on Maori Freehold Land</b>	<b>264</b>
	This policy outlines Council's practice for remission and postponement of rates on Maori freehold land. There is very little land of this type in Hutt City.	
<b>198</b>		
	<b>Rates Postponement Policy</b>	<b>265</b>
	This policy outlines Council's practice for the treatment of rates postponement applications.	
<b>217</b>		
	<b>Rates Remissions Policy</b>	<b>266</b>
	There is a number of parts to this policy. Each part deals with an area where Council may consider it appropriate to assist by providing rates relief. These specific areas include economic development, community, sporting and other organisations, penalties on unpaid rates and land protected for natural, historic or cultural conservation purposes, and affected by natural calamity.	
<b>222</b>		



## POLICY ON SIGNIFICANCE

### SIGNIFICANCE POLICY

#### 1. BACKGROUND

Hutt City Council was required by section 90 of the Local Government Act 2002 to, by 30 June 2003, adopt a policy setting out:

- Its general approach to determining the significance of proposals and decisions in relation to issues, assets, or other matters; and any thresholds, criteria, or procedures that are to be used in assessing the extent to which issues, proposals, decisions, or other matters are significant
- The policy must list the assets considered by Council to be strategic assets
- The policy may be amended from time to time
- A council must use the special consultative procedure both in relation to:
  - a. the adoption of the policy
  - b. the amendment of the policy.

#### 2. PURPOSE

All decisions 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 judgements about the appropriate level of compliance with those requirements, largely in proportion to the “significance” of the matters affected by the decision (section 79 of the Act).

The level of “compliance” with the decision-making requirements in the Act includes (section 79(1)(b)):

- The extent to which different options are to be identified and assessed
- The degree to which benefits and costs are to be quantified
- The extent and detail of the information to be considered
- The extent and nature of any written records kept as to compliance.

If a decision is determined to be “significant” in accordance with the general approach, thresholds, and criteria set out in this policy, a higher standard of compliance is required, including considering whether specific consultation or further assessment of the options is required.

#### 3. DEFINITIONS

Section 5 of the Local Government Act 2002 defines “*significance*”, “*significant*” and “*strategic asset*” as follows:

**significance**, *in relation to any issue, proposal, decision, or other matter that concerns or is before a local authority, means the degree of importance of the issue, proposal, decision, or matter, as assessed by the local authority, in terms of its likely impact on, and likely consequences for:*

- (a) *the current and future social, economic, environmental, or cultural well-being of the district or region*
- (b) *any persons who are likely to be particularly affected by, or interested in, the issue, proposal, decision, or matter*
- (c) *the capacity of the local authority to perform its role, and the financial and other costs of doing so.*

**significant**, *in relation to any issue, proposal, decision, or other matter, means that the issue, proposal, decision, or other matter has a high degree of significance.*

**strategic asset**, *in relation to the assets held by a local authority, means 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 well-being 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.*

#### 4. GENERAL APPROACH

In accordance with the definitions set out in Section 3 above, Council, in determining whether an issue, proposal, or other matter requiring a decision is of significance, will consider the likely impact of that decision on:

- The social, cultural, economic and environmental well-being of the city, now and in the future
- The ability of Council to achieve its strategic objectives as set out in the Community Plan
- The capacity of Council to perform its role and carry out its services or activities, and the cost of doing so, now and in the future
- Any persons who are likely to be affected or particularly interested in the issue, proposal, or matter.

In determining whether any issue, proposal, or other matter requiring decision is of significance consideration will also be given to sections 5 and 6 of this policy.

#### 5. THRESHOLDS

When undertaking a process to determine whether an issue, proposal, or other matter is significant Council will consider the following thresholds:

- Any transfer of ownership or control, or the disposal or abandonment of a strategic asset in its entirety
- The loss of Council control of any Council-controlled trading organisation or Council-controlled organisation
- A decision that will, directly or indirectly, severely affect the capacity (including financial capacity) of Council to carry out any activity identified in the

Community Plan

- Entry into any partnership with the private sector to carry out a significant activity.

If an issue, proposal, or other matter requiring decision does not meet one or more of the above thresholds, sections 4 and 6 of this policy should still be considered in determining whether or not it is significant.

#### 6. CRITERIA

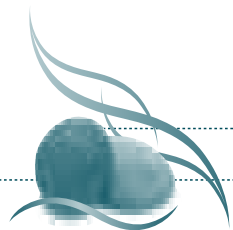
In considering whether any issue, proposal, or other matter requiring decision is significant Council will consider whether:

- The issue, proposal, or other matter affects all or a large portion of the community in a way that Council considers is consequential
- The impact or consequences of the issue, proposal, or other matter on the affected persons will, in Council's view, be substantial
- The financial implications of the issue, proposal, or other matter on Council's overall resources are, in Council's view, substantial
- The issue, proposal, or other matter has the potential to, in the view of Council, generate considerable public controversy.

#### 7. PROCEDURE

In achieving this policy the following procedure will be applied:

- Where any issue, proposal or other matter is considered to be significant the Chief Executive will report the matter to Council including an assessment of the degree of significance of the issue, proposal, or other matter, and how appropriate compliance with sections 77-82 of the Local Government Act 2002 will be achieved
- Council will report in its Annual Report on all issues, proposals, or other matters determined to be significant, and subject to the procedure outlined in sections 76, 77, 78, 80, & 81 of the Local Government Act 2002 as appropriate.



## 8. STRATEGIC ASSETS

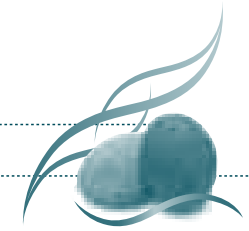
In accordance with section 90(2) of the Local Government Act 2002 Hutt City Council considers the following assets to be strategic:

- Wastewater Network and Treatment Plant in its entirety
- Roading Network in its entirety
- Stormwater Network in its entirety
- Water Supply Network in its entirety
- Silverstream Landfill
- Parks and reserves and open space network managed as reserves of city-wide importance
- The land and buildings owned by Council and required to maintain Council's capacity to provide affordable housing as part of its social policy
- Dowse and Settlers' collections in their entirety.

Council considers each group of assets listed above to be, in its entirety, a strategic asset. An issue, proposal, or other matter relating to a group of assets will not be considered significant unless it concerns the whole group of assets and not an individual component, unless the issue, proposal, or other matter regarding an individual component is considered significant in terms of this policy.

## 9. QUALIFICATION

Council may elect not to consult on an issue, proposal, or other matter requiring a decision considered significant in terms of this policy if that issue, proposal, or other matter is still subject, at a future date, to statutory processes such as those set out in the Resource Management Act or Reserves Act and after taking into account the financial implications of consulting on the matter.



## POLICY ON PARTNERSHIPS WITH THE PRIVATE SECTOR

- (1) A policy adopted under section 102(4)(e) –
- (a) must state the local authority's policies in respect of the commitment of local authority resources to partnerships between the local authority and the private sector; and
- (b) must include –
- (i) the circumstances (if any) in which the local authority will provide funding or other resources to any form of partnership with the private sector, whether by way of grant, loan, or investment, or by way of acting as a guarantor for any such partnership; and
  - (ii) what consultation the local authority will undertake in respect of any proposal to provide funding or other resources to any form of partnership with the private sector; and what conditions, if any, the local authority will impose before providing funding or other resources to any form of partnership with the private sector; and
  - (iii) an outline of how risks associated with any such provision of funding or other resources are assessed and managed; and
  - (iv) an outline of the procedures by which any such provision of funding or other resources will be monitored and reported on to the local authority; and
  - (v) an outline of how the local authority will assess, monitor, and report on the extent to which Community Outcomes are furthered by any provision of funding or other resources or a partnership with the private sector.
- (2) In this section partnership with the private sector means any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business; but does not include:
- (a) any such arrangement or agreement to which the only parties are:
    - (i) local authorities; or
    - (ii) one or more local authorities and one or more council organisations; or
  - (b) a contract for the supply of any goods or services to, or on behalf of, a local authority.

The policy can only be amended as an amendment to the Community Plan.

### PURPOSE

The policy is linked to the statutory principle that a local authority should collaborate and co-operate with other local authorities and bodies as it considers appropriate to promote or achieve its priorities and desired outcomes, and make efficient use of its resources (section 14(e) of the Local Government Act refers).

This policy only applies to partnerships with the private sector. "Partnership with the private sector" is defined in the Local Government Act to mean any arrangement or agreement that is entered into between one or more local authorities and one or more persons engaged in business, but does not include:

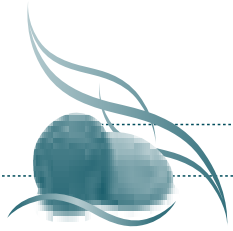
- Arrangements or agreements to which the only parties are local authorities or one or more local authorities and one or more council organisations
- A contract for the supply of goods or services to, or on behalf of, a local authority.

To clarify, Council has considered this definition with regard to the apparent overall intent of the legislation and the nature of Council's business. Council has determined that specifically this policy shall apply to:

- Arrangements or agreements for provision of grants, loans, guarantees, or investments between Council and persons engaged in business
- Agreements for a venture where Council participates with a person engaged in business with some joint objective
- Any agreement with a person engaged in business to form a Council organisation, or any agreement to sell shares in a Council-controlled Organisation or Council-controlled Trading Organisation to a person engaged in business (this will be in addition to the requirements of section 56 of the Local Government Act if applicable).

But shall NOT apply to:

- Contracts between Council and its ordinary suppliers of goods and services (for example, purchase of office supplies or legal services)



- Contracts between Council and its customers for the ordinary supply of goods and services (for example, sale of swimming equipment or provision of various consents or licences)
- Contracts for the supply of goods and services between Council and its agents for undertaking activities of Council (such as building or maintaining roads)
- Borrowing by Council and the investment of Council's funds purely for financial gain as these transactions will be addressed in the Liability Management and Investment Policies respectively
- Agreements with or grants to community organisations, charitable trusts and other community groups, government departments, not-for-profit organisations, other local authorities and Council-controlled Organisations where the other organisation is to supply any goods or services to, or on behalf of, Council
- Memoranda of Understanding or Heads of Agreement where Council is not providing any funding or other significant resources to the other party.

#### **CIRCUMSTANCES UNDER WHICH COUNCIL MAY CONSIDER A PARTNERSHIP WITH THE PRIVATE SECTOR**

Council may consider a partnership with the private sector where there are benefits to Council of committing resources to a partnership with the private sector such as when:

- A need, that a partnership with the private sector would address, has been defined in measurable terms
- The partnership is the most effective means of realising Council's strategic goals or Community Outcomes as defined in Council's Community Plan
- The partnership will lower the cost of the provision of identified services to the community
- Risk allocation is shared equitably
- There is scope for the private sector to contribute particular skills and/or innovative capacity.

#### **CONSULTATION**

Council will only undertake consultation in respect of any proposal to provide funding or other resources to any form of partnership with the private sector if that partnership is determined to be significant in terms of Council's approved Significance Policy. Council will generally not undertake consultation in respect of a proposal to provide funding or other resources to any partnership with the private sector that is not considered significant.

#### **CONDITIONS**

The conditions any Public/Private Sector partnership will be subject to will depend on the nature of the partnership but will include the following where appropriate:

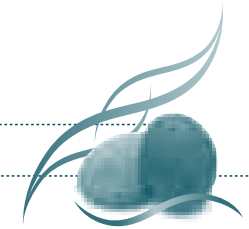
- Private sector participation will be subject to approved procurement processes, with an emphasis on transparency and disclosure of processes and outcomes, acknowledging the need to protect commercial confidentiality where appropriate
- Any proposed partnership will be assessed against Council's policies, plans, strategic goals and Community Outcomes as specified in the Community Plan
- Outputs will be clearly specified including measurable performance standards
- The partnership is compliant with other relevant legislation
- All private sector parties will be fully accountable to Council for the delivery of the specified project and/or services.

#### **RISK MANAGEMENT**

Council will assess and manage any risks associated with any Public/Private Sector partnership in the following manner:

- Risk will be assessed, monitored and reported in accordance with Council's risk management framework
- Risk allocation between the partners will be clear and enforceable, with consequential financial outcomes



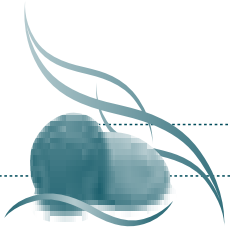


- The major principle governing risk will be a risk transfer regime where risk will be transferred to whoever is best able to manage it, taking into account public interest considerations
- Each party must have the freedom to choose how to handle and minimise any risk
- Where Council is not the only user of an asset, demand (or volume/usage) risk may also be transferred.

#### **MONITORING AND REPORTING**

Council will monitor and report on a Public/Private Sector partnership by:

- Ensuring transparency and disclosure of key processes and outcomes
- Clearly setting out responsibilities for the monitoring of outcomes
- Monitoring and reporting progress on partnership contracts in accordance with Council's financial and programme reporting regime
- Assessing and monitoring Community Outcomes as required under the Local Government Act 2002 Annual Report requirements.



## POLICY ON DEVELOPMENT AND FINANCIAL CONTRIBUTIONS

### INTRODUCTION

The Long Term Council Community Plan (Community Plan) includes capital expenditure that Council expects to incur to meet the increased demand for community facilities resulting from growth in the City. The Council must make adequate and effective provision in its Community Plan to fund this planned expenditure.

In the interests of achieving financial equity between existing ratepayers and new developers, Council has decided that developers should pay the growth related capital expenditure costs of providing community facilities (network infrastructure, community infrastructure and reserves).

To achieve this equity, Council has previously relied on the financial contributions specified in its District Plan prepared under the Resource Management Act 1991 (RMA). However, Council's Development and Financial Contributions Policy in its 2003/04 Community Plan highlighted that Council would investigate further the need for development contributions under the Local Government Act 2002 (LGA). Those investigations have now occurred and this policy has been prepared as a result.

This policy provides a summary of the financial contributions specified in the District Plan. It then outlines Council's policy in relation to development contributions under the LGA. The financial contributions and development contributions are separate charges and are used to fund separate categories of expenditure by Council.

Development contributions may be required where the effect of the development is to require Council to invest in new or additional assets or assets of increased capacity.

This policy summarises and explains:

- The capital expenditure identified in the Community Plan that Council expects to incur to meet the increased demand for community facilities resulting from growth in the City
- The capital expenditure already incurred in anticipation of growth for which a development contribution is required.

The Policy summarises Council's assumptions in relation to growth in Hutt City over the next ten years. Council has assumed that the residential sector will grow by 2,000 households, and that the non-residential sector will grow by 90,000 square metres of gross floor area by the end of the period 2006-2016.

The Policy sets out the development contributions payable on developments, how and when they are to be calculated and paid, and a summary of the methodology and the rationale used in calculating the level of contribution.

The background information supporting the Development Contributions Policy is included in the Methodology sections.

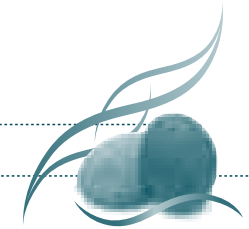
### FINANCIAL CONTRIBUTIONS IN THE DISTRICT PLAN – A SUMMARY

A Development Contributions Policy under the LGA may be used in place of, or alongside, the RMA system of financial contributions applied via the District Plan. Council's policy is to utilise Development Contributions under this Policy and the following Financial Contributions under the District Plan where individual developments give rise to capital expenditure on a localised basis that is not budgeted for by Council and therefore not included in Council's development contributions policy.

- Financial Contributions for Reserves.
- Financial Contributions to which Rules 12.2.1.1-12.2.1.6 and 12.2.2.1 apply.

Provided that where Council has budgeted specific capital expenditure in its Community Plan (and has set a Development Contribution in relation to it under this Policy which is payable) for identical work as required under Rules 12.2.1.1-12.2.1.6 and 12.2.2.1, the financial contribution payable will be reduced by the amount the relevant part of the development contribution attributable to that capital expenditure.

The following is a summary of Council's financial contributions under the RMA, detailed in Chapter 12 of the District Plan. Copies of the District plan are available for inspection at the main Council Building and at public libraries.



### **Reserve Contributions – Subdivision of land**

There is a long history of requiring subdividers of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivision process as they provide open space and recreation facilities and opportunities necessary to cater for additional demand generated and also to protect and enhance amenity values. As communities continue to grow in size and population there is a need to provide recreation and open space to meet their needs and requirements.

As part of its section 32 requirements under the RMA, a number of options were evaluated by Council and after considerable consultation with the public, developers and other special interest groups it was considered that reserve contributions should be set at a maximum of 7.5% of the value of each additional allotment. It was recognised that the maximum reserve contribution is not appropriate in all cases and this can be adjusted taking into account criteria specified in Rule 12.2.1.7(b).

### **Reserve Contributions – Development of land**

The District plan also recognises that the development of land for business/commercial purposes can increase the number of people employed at a particular location and consequently there may be an increase in demand for open space and recreation areas.

After considerable consultation with the public, property owners, developers and other special interest groups, and after evaluating various options, it was considered by Council that where commercial or industrial development will result in an increase or intensification of use of land, a reserve contribution in the form of money equivalent to 0.5% of the value of the development in excess of \$200,000 was appropriate. It was also recognised that the maximum reserve contribution is not appropriate in every case and the maximum could be adjusted based on criteria specified in Rule 12.2.2.2(b).

### **Financial Contributions – Services**

In the District Plan the developer of a subdivision or development is responsible for funding all work within its boundaries relating to services directly required for the subdivision or development. This approach has been in practice for a very long period of time.

Two main methods for imposing financial contributions have been adopted in the District plan, these being the recoupment impact fee (or sometimes called the recognised equity method) and the capital improvements programme fee.

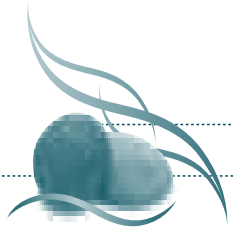
In summary the District plan requires financial contributions as follows:

- In subdivision or development of land the rules specify that the developer is responsible for all work within its boundaries relating to services directly required.
- The rules specify that where, as a result of subdivision or development of land, services in adjoining land which were previously adequate become inadequate, then the subdivider or developer should pay for the full and actual costs of upgrading services.
- Where subdivision or development takes place and the services in the adjoining land are already inadequate, then the rules specify that the subdivider or developer should pay a proportion of the costs of upgrading services.
- In cases where Council has upgraded services in advance of land being subdivided then the subdivider or developer should pay the full and actual costs of upgrading, taking into account the time value of money, when the land is subsequently subdivided or developed.

### **Financial Contributions – Traffic impact fee for Retail Activities and places of Assembly in all Residential and Rural Activity Areas**

The District plan recognises that large scale retail activities exceeding 3,000 square metres in floor area and all places of assembly in residential and rural activity areas may have adverse effects on the surrounding roading network and on pedestrian circulation. In such circumstances the District plan requires that the developer contribute to the upgrading and modification of the surrounding roads, intersections and footpaths.

The table below shows some examples of the types of assets which would fall under each of the financial contribution and development contribution regimes.



Infrastructure Type	Local Asset (Financial Contributions)	Citywide Network (Development Contributions)
Wastewater treatment plant		✓
Connection of subdivision sewer to main system	✓	
Subdivision roads	✓	
New roundabout for management of increased traffic caused by new shopping centre	✓	
Extra city wide road resealing costs to cater for increased traffic from population growth		✓
Open space reserve for subdivision	✓	
Stormwater network upgrade to provide increased capacity to cater for new growth		✓
Increased diameter water main to allow for increased flow to service new properties created by subdivision	✓	
New reservoir to provide storage capacity for growth in demand from increased population or new commercial activity		✓

**DEVELOPMENT CONTRIBUTIONS UNDER THE LGA**

Development Contributions are levied for growth related capital costs in the Community Plan, or historic investment made in anticipation of growth. Section 102 requires Council to have in its Community Plan a policy on how it will fund growth related capital expenditure. Section 106 requires that Council summarise and explain the growth related capital expenditure and state the proportion to be funded by development contributions,

financial contributions or other sources. These requirements are met in the methodology section for each activity in this policy document.

The LGA s101 (3) states that Council funding must be met from appropriate sources with regard to community outcomes, the distribution of benefits across the community over time, those driving the need for the expenditure, costs and benefits and impact on future revenue requirements. Council has made the following considerations:

- **Community outcomes.** Hutt City’s community outcomes addressed by this policy are those environmental and quality of life objectives that are delivered by adequate funding of council’s capital programmes, balanced by outcomes of ensuring ongoing business growth and affordability for residents.
- **Distribution of benefits between the existing community and newcomers.** It is appropriate that development contributions fund the addition of capacity benefiting new households. On the other hand, the cost of maintaining or improving levels of service provided by Council infrastructure to the existing population cannot be included in capital expenditure to be funded out of development contributions, as this expenditure does not benefit developers or new households.
- **The period, over which the benefits are expected to occur** in terms of current capacity, projected growth, economic efficiency and affordability. The design capacity of the infrastructure has been a principal consideration in setting fees and in some cases the capacity may provide for growth well beyond ten years.
- **The impact of the actions of developers on the city’s infrastructure;** The need to install new capacity in Council-provided roading, stormwater, wastewater and water supply networks is caused by those undertaking subdivision and development in the city resulting in the creation of new household equivalent units. Accordingly it is appropriate for the costs of installing additional capacity to be passed on through development contributions payable by developers on the granting of resource or building consent.



- **Costs, benefits, transparency and accountability in funding the need for additional infrastructure resulting from growth through development contributions.** The benefits of collecting development contributions are expected to outweigh the marginal administrative costs of collection. Benefits also include greater transparency and allocative efficiency through passing on the true costs to developers.
- **Overall impact on community wellbeing.** Ensuring adequate levels, and balance, between the various sources of funding to provide appropriate infrastructure is central to promoting the social, economic, environmental and cultural wellbeing of the city. Funding the cost of providing increased capacity in Council infrastructure through development contributions rather than rates serviced debt promotes equity between existing residents and those responsible for Council incurring these additional costs.

**DEVELOPMENT CONTRIBUTIONS POLICY**

The development contributions payable for each unit of demand on granting resource consent, building consent or authorisation for a service connection are set out in the table that follows.

The unit of demand used for each activity is the Household Equivalent Unit (HEU). An HEU represents one household unit.

Residential developments will be assessed on the number of additional household units created by the development.

Non-residential developments will be assessed on the basis of additional HEUs created. The units of measure are identified in the methodology section for each activity.

**Fee Summary**

	Capital Expenditure for Growth			Household Equivalent Units	Fee per Unit (\$)
	Historical (\$000)	Community Plan (\$000)	Total (\$000)		
Roading and Traffic		1,128	1,128	3,180	355
Local Urban Design		205	205	3,180	64
Water supply		272	272	2,231	122
Wastewater	4,500	603	5,103	3,994 / 2231	1,397
Stormwater		1,423	1,423	2,380	598
<b>TOTAL</b>	<b>4,500</b>	<b>3,632</b>	<b>8,132</b>		<b>2,536</b>

**GENERAL POLICY**

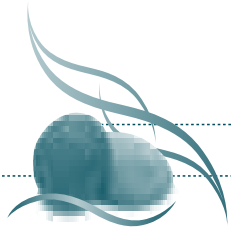
**Objective**

To enable development contribution fees that ensure developers make a fair contribution to the development of infrastructure and services to maintain targeted levels of service.

**Adoption**

This Policy was approved on 29 June as part of Council’s 2006 Community Plan. The Policy will come into force on 1 July 2006 and will apply to all resource consents, building consents and authorisations for service connections that are granted on, or after that date, but Council retains the discretion to waive fees if it is satisfied that it has been shown that a consent was not granted by that date due to the Council’s failure, without proper cause, to comply with the statutory timeframes in the Resource Management Act 1991.

The Policy will be subject to continuous review. Any amendments to the Policy will most likely take place concurrently with the Community Plan process.



**LGA Requirements**

Section 201(1) of the LGA 2002 requires the Development Contribution Policy to include, in summary form, an explanation of and justification for the way each development contribution is calculated.

In summary, each contribution has been calculated in accordance with the methodology set out in schedule 13 of the LGA 2002, by using the following seven-step process.

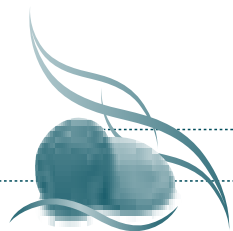
Step	Explanation	LGA Reference
One	<p><b>Define catchments</b></p> <ul style="list-style-type: none"> <li>A catchment is the area served by a particular infrastructure, e.g. reservoirs, pumping stations and pipes.</li> <li>Catchments are defined with reference to characteristics of the service, the common benefits received across the geographical area supplied and judgement involving a balance between administrative efficiency and the extent of common benefits.</li> </ul>	LGA Schedule 13 1(a)

Step	Explanation	LGA Reference
Two	<p><b>Identify ten-year capital expenditure resulting from growth</b></p> <ul style="list-style-type: none"> <li>Historic capital expenditure in anticipation of growth</li> <li>The proportion of total planned costs of capital expenditure for network and community infrastructure and reserves from the Community Plan resulting from growth.</li> <li>Growth costs (capacity increase to cater for new entrants) can be funded in full or in part by using development contributions. This is one of three components of the total ten-year capital costs budgeted in the Community Plan, the other two components being level of service improvements and renewals. These two costs must be met from funding sources other than development contributions.</li> <li>Justification for the level of growth capital expenditure should be supported by Financial Management funding considerations and show significant assumptions and impacts of uncertainty.</li> </ul>	<p>LGA 199(2)</p> <p>LGA 106(2)a and Schedule 13 1(a)</p> <p>LGA 106(2)(a) LGA 101(3)(a) LGA 201(1)(b)</p>



Step	Explanation	LGA Reference
Three	<p><b>Identify the percentage of growth related ten year capital expenditure to be funded by development contributions</b></p> <p>100% of the growth related capital expenditure will be funded by development contributions because:</p> <ul style="list-style-type: none"> <li>• It directly relates to the planned capital expenditure set out in the Community Plan and detailed in the Council’s Asset Management Plans; and</li> <li>• The capital expenditure identified for growth can be reasonably identified.</li> </ul>	LGA 106(2)(b)
Four	<p><b>Identify the appropriate units of demand</b></p> <ul style="list-style-type: none"> <li>• The selected unit of demand is Household Equivalent Units (“HEU”) calculated as follows:</li> <li>• For greenfield residential development, fees per HEU will be applied uniformly for each lot regardless of size for reasons of administrative simplicity and lot size is not considered to have a material impact on demand.</li> <li>• For an infill residential development, a residential dwelling as defined in the District Plan.</li> </ul>	LGA Schedule 13(1)(b)

Step	Explanation	LGA Reference
Five	<p><b>Identify the designed capacity (in units of demand) provided for growth</b></p> <ul style="list-style-type: none"> <li>• The designed capacity may vary between different types of infrastructure. In some cases it may be considered economically prudent to provide spare growth capacity considerably beyond current ten-year expectations of growth.</li> <li>• Costs are recovered across the full designed number of HEUs. Projected growth in HEUs over the ten year period of the Community Plan will be relevant to the Council’s budgeting of revenue but not to the calculation of the development contribution per HEU.</li> </ul>	LGA Schedule 13(1)(b) & (2)
Six	<p><b>Allocate the costs to each unit of demand for growth</b></p> <ul style="list-style-type: none"> <li>• The development contribution charge per HEU is calculated by dividing the total capital expenditure resulting from growth (step two) by the designed units of demand for growth (step five).</li> </ul>	LGA Schedule 13(1)(b)
Seven	<p><b>Prepare schedule of fees</b></p> <ul style="list-style-type: none"> <li>• A detailed schedule must be prepared as part of the policy that enables the development contributions to be calculated by infrastructure type and catchment.</li> <li>• The policy will be supported by the significant assumptions made to determine the development contributions payable and their impacts, contribution and conditions and criteria for remission, postponement or refund, the valuation basis for assessment of maximum reserves and catchment maps.</li> </ul>	LGA 201(2) LGA 201 (1)(a) LGA 201(1)(b),(c) & (d)



### Significant Assumptions

Section 201(b) of the LGA 2002 requires the development contributions policy to state the significant assumptions underlying the calculations in the development contributions policy. These include growth, financial and costing assumptions below.

#### Hutt City growth assumptions for 2006-2016

Population change and average household size in the residential sector, and non-residential (retail/commercial /industrial) expansion, influence expectations of the impact of growth on Council infrastructure.

The discussion of residential and non-residential growth expectations below shows a high level of uncertainty. Recognising the various drivers discussed below, this report assumes a further 2,000 household equivalent units (“HEU”) by the end of the period 2006-2016, an average of 200 HEUs per year in the residential sector, and 90,000 square metres of additional gross floor area, an average of 9,000 square metres per year, in the non-residential sector.

#### Current (2006) population

Estimates of the current 2006 Hutt City population are uncertain and vary between sources due to the need to make estimates on growth since the last published census results for 2001.

- Wellington Regional Strategy (“WRS”) estimated range for the 2006 population is high 97,200, medium 95,680 and low 93,810.
- Statistic NZ estimates range for the 2006 population is high 103,500, medium 101,400 and low 99,300.

#### Population growth estimates to 2016.

Estimates of population to 2016 exist in a range as follows:

- The Wellington Regional Strategy estimate range for the 2016 population is: high 99,630, medium, 94,720, and low 89,180.
- The Statistics NZ estimate range for the 2016 population is: high 108,900, medium 102,300 and low 95,700.

#### Household formation trends to 2016

In addition to population growth, demand on Council infrastructure is also driven by household formation. Average persons per household is 2.66 in 2006 and forecast to decline to 2.54 by 2016 (WRS). Assuming these trends, even if the population were to remain static at around 100,000, a further 1,777 households would result.

#### Historic subdivision development trends

Other data providing an indication of household formation is historic subdivision analysis showing 145, 190 and 335 potential new dwellings in Hutt City in each of the years 2002/03, 2003/04 and 2004/05 respectively. While these historic trends cannot be used to predict the future, they provide an indication of household formation in the current period of reasonably low growth to static population trends.

#### Non-residential growth expectations

Gross floor area assumptions sourced from property advisers DTZ for the development of this policy are 1,000 m<sup>2</sup> per year for commercial, 6,000 m<sup>2</sup> per year for industrial and 2,000 m<sup>2</sup> per year for retail.

#### Financial and costing assumptions

- Average costs have been applied in calculating the growth HEUs share of total costs.
- All costs from projects in the Community Plan used in the development contributions policy are based on current estimates of infrastructure construction prices in 2006-dollar terms. The Community Plan provides further inflation adjustment of all operating and capital costs over the ten years of the plan. It is assumed that interest received on fees collected in anticipation of construction later in the Community Plan ten-year period will offset construction cost inflation. No cost of capital, including interest and compensation of Council for taking the risk of building infrastructure in advance of demand, is included in growth cost calculations.
- Income generated from rates will be sufficient to meet the operating costs of growth related capital expenditure into the future.
- All Land Transport New Zealand subsidies will continue at present levels and that eligibility criteria will remain unchanged.
- The methods of service delivery will remain substantially unchanged.





## SUBSTANTIVE POLICY

### Catchments

Council has taken a system-wide view in identifying the cumulative effects of new development on infrastructure. Accordingly, Council has defined the catchment for each activity for which development contributions are required as being the entire city.

### Requirement for development contributions

Development contributions shall be required for the following activities:

- Roading and traffic.
- Water supply.
- Wastewater,
- Stormwater and
- Local urban design.

Parks and reserves capital expenditure is recovered through the District Plan's financial contributions.

Developments where there is no practical connection to water supply or wastewater reticulation systems will not be required to pay water and wastewater fees. If the Development is subsequently connected to the water and/or wastewater reticulation systems, the applicable contribution will be payable prior to connection.

Development in non-urban areas where no stormwater systems are provided will not pay a stormwater fee.

Development contributions shall be required in money unless, at the sole discretion of an authorised officer, a piece of land is offered by the developer that would adequately suit the purposes for which the contribution is sought.

Where Council accepts, at its sole discretion, a developer's offer to provide network infrastructure or community infrastructure in lieu of paying a development contribution, the parties will need to enter into a development agreement (detailed further below).

### Assessment

The development contribution will be assessed on any:

- Resource consent granted under the Resource Management Act 1991; or
- Building consent granted under the Building Act 2004; or
- Authorisation approved for a service connection.

A reassessment may be made on each and every event described above.

An applicant may pay the development contribution within 12 months of the date of each assessment. If payment is not received in accordance with the table below Council may, at its discretion, review its assessment.

The development contribution must be paid as set out in the table below.

<b>Subdivision resource consent</b>	prior to issue of section 224(c) certificate
<b>Other resource consent</b>	prior to commencement of the consent
<b>Building consent</b>	prior to issue of code compliance certificate
<b>Service connection</b>	prior to connection

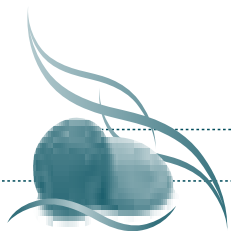
Unless the development contribution has been paid in full, the Council may:

- In the case of subdivision consent, withhold the section 224(c) certificate.
- In the case of any other resource consent, prevent the commencement of the resource consent.
- In the case of a building consent, withhold the code compliance certificate.
- In the case of a service connection, withhold the service connection.
- Register the outstanding development contribution as a charge on the subject land under the Statutory Charges Registration Act 1928.

### Residential Development

The unit of demand for each activity is the HEU. An HEU represents one household unit.

Residential developments will be assessed on the number of additional household units created by the development.



**Minor Household Units**

Minor household unit means a residential household unit with a maximum gross floor area of 65 square metres that is additional to a residential household unit already established on the allotment. A minor household unit shall be assessed at 0.5 of an HEU per additional unit.

**Fee Simple Subdivision**

Each allotment in a fee simple subdivision represents one HEU.

**Non-residential Development**

Where the level of demand is known for a non-residential development, the number of HEUs generated by the development will be determined by reference to the following table (which sets out the average level of demand per HEU).

**Household Equivalent Units**

Activity	Units of Demand – Residential	Units of Demand – Non-Residential HEUs
Roading and Transport	10 light vehicle movements per day	<ul style="list-style-type: none"> <li>Retail – 4 HEU/100m<sup>2</sup> GFA</li> <li>Commercial – 2 HEU/100m<sup>2</sup> GFA</li> <li>Industrial – 0.3 HEU/100m<sup>2</sup> GFA</li> </ul>
Local Urban Design	10 light vehicle movements per day	<ul style="list-style-type: none"> <li>Retail – 4 HEU/100m<sup>2</sup> GFA</li> <li>Commercial – 2 HEU/100m<sup>2</sup> GFA</li> <li>Industrial – 0.3 HEU/100m<sup>2</sup> GFA</li> </ul>
Water Supply	957 litres per day	0.26 HEU/100m <sup>2</sup> GFA
Wastewater	675 litres per day	0.26 HEU/100m <sup>2</sup> GFA
Stormwater	200 m <sup>2</sup> of impervious area	0.5 HEU/100m <sup>2</sup> new impervious surface area

The above table does not apply where the level of demand is unknown, in which case the Council will require a special assessment as detailed further below. An applicant for resource consent, building consent or service connection may also elect, at their own

cost, to provide a special assessment provided that any Council fees for processing the special assessment are met.

Development contributions for non-residential development will not apply to an addition of less than 10 square metres of gross floor area to an existing building.

**Credits**

Credits are expressed in units of demand and may be used to reduce the number of units of demand created by a development.

Credits only apply in respect of an existing or prior use of the site, and can not be used to reduce the number of additional units of demand from the proposed development to less than zero.

The prior use of the site must have been current within the 2 years prior to the application. Credits from a prior use can not be transferred to or from another site.

Existing allotments as at 1 July 2006 are deemed to have a credit of one HEU.

In all other cases, the credits will be calculated based on the methodology in this policy.

**Remissions, Reviews and Postponement**

At the request of an applicant, the development contributions required on a development may be considered for remission at Council’s discretion on a case by case basis.

Any such request shall be made in writing by the applicant within 15 working days after Council has advised the applicant in writing of the amount of development contribution required on the development. The application must be made before any development contribution is paid, as the Council will not consider a retrospective application for remission.

In undertaking the review the Council shall as soon as reasonably practicable consider the request. The Council may determine whether to hold a meeting for the purposes of the review, and if so, give the applicant at least five working days notice of the date, time and place of that meeting.



Council may, at its discretion, uphold, reduce or cancel the original amount of development contribution required on the development. The Council may delegate these responsibilities and decisions to an authorised officer.

Where Council decides to consider such a request the following matters shall be taken into account:

- The Development Contributions Policy.
- Council's financial modelling.
- Council's funding and financial policies.
- The extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme.
- Any credits that may apply to the site.
- Whether Council determines that the development contributions are manifestly excessive in relation to the impact of the development on infrastructure:

Council will not consider any request to postpone a development contribution.

### How to calculate your development contribution

#### Residential

1. Identify the fees payable per Household Equivalent Unit (HEU).
2. Calculate how many HEUs your development will create.
3. Calculate how many (if any) HEU credits apply to your development and deduct the number from the number of HEUs in step 2 above.
4. Multiply the number of HEUs from step 3 above by the fee per HEU in step 1 and add 12.5% GST. This is the total development contribution fee payable IN ADDITION to financial contribution fees that may be payable under the District Plan.

#### Non Residential

1. Work out new gross floor area in units of 100 m<sup>2</sup> (e.g. 2000 m<sup>2</sup> = 20 units).
2. Work out new impervious surface area in units of 100 m<sup>2</sup> (e.g. 2000 m<sup>2</sup> = 20 units).
3. Go to the Household Equivalent Units table, and for each asset type except stormwater multiply the number of gross floor area units by the HEU conversion figure to give a total number of HEUs for each asset type (except stormwater).

4. Multiply the number of impervious surface units by the HEU conversion figure for stormwater to give a total number of HEUs for stormwater.
5. Go to the section on "Credits", calculate the credit in HEUs for each asset type, and subtract from the numbers of HEUs calculated in steps 3 and 4 above.
6. Go to the Fee Summary table, and for each asset type multiply the number of HEUs by the rate per HEU to give a total contribution for each asset type.
7. Add the figures from 6 above to calculate the total development contribution payable.

#### Refunds

Sections 209 and 210 of the Local Government Act 2002 apply to refunds of development contributions paid to Council, where:

- Resource consents lapse or are surrendered; or
- Building consents lapse; or
- The development or building does not proceed; or
- The Council does not spend the money on the purpose for which the development contribution was required; or
- Previous overpayment has been made (for whatever reason).

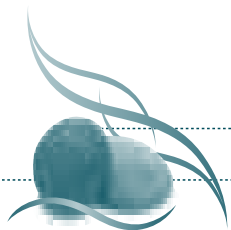
The development contribution will be refunded to the registered proprietors of the subject allotment as at the date of the refund assessment (less a fair and reasonable administration fee).

#### Cross boundary issues

In some cases, developments may cross District Council boundaries. Where the development crosses District Council boundaries, the Council will only assess the development for that part of the development, which is within Hutt City.

#### Special assessment and development agreements

Council reserves its discretion to require a developer to provide a 'special assessment' either where the level of demand is unknown or where a proposed development may have a significantly greater impact than is envisaged in the averaging implicit in Council's development contributions model after applying methodology in this policy (including



the application of any credits arising). For all special assessments, the applicant will be expected to provide supporting information and detailed calculations of their development's units of demand on various activities and such further details as to support the credits applied for under the policy.

Where it is in the best interests of all parties, Council may enter into a development agreement with the developer. The development agreement must clearly state the departure from the standard processes and calculations, and the reasons for these differences.

#### **Valuations**

Where land is required to be valued, the assessment of land value will be carried out by a registered valuer based on the market value of the land being developed:

- In its 'developed' state (which includes the proposed development and any other development authorised by resource or building consents);
- As assessed not more than 12 months before the contribution is paid; and
- Including GST.

#### **Guarantee**

An applicant may request that Council accept a guarantee for development contributions in excess of \$50,000. This request will be considered at the discretion of an authorised officer.

Guarantees:

- Will only be accepted from a registered trading bank.
- Shall be for a maximum period of 24 months, subject to later extensions as may be agreed by an authorised officer.
- Will have an interest component added, at an interest rate of 2% per annum above the Reserve Bank official cash rate on the day the guarantee document is prepared. The guaranteed sum will include interest, calculated on the basis of the maximum term set out in the guarantee document.
- Shall be based on the GST inclusive amount of the contribution.

At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to Council.

If Council accepts the guarantee, all costs for the preparation of the guarantee documents will be met by the applicant.

#### **Goods and Services Tax**

All assessments are exclusive of GST and do not constitute an invoice for the purposes of the Goods and Services Tax Act 1985.

The time of supply shall be the earlier of:

- Council issuing an invoice to the developer; or
- The payment of the development contribution in accordance with this policy (including the execution of a guarantee in accordance with this policy).

GST will be added to the invoice at the time of supply as required by the Goods and Services Tax Act 1985.

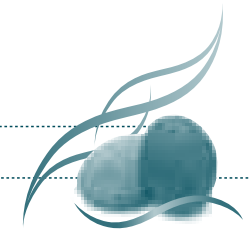
#### **Council Developments**

Council developments are not liable to pay development contributions provided this exemption does not apply to Council Controlled Organisations.

#### **Transitional Provisions**

The Policy will apply to all applications for resource consent, building consent or authorisations for service connections granted on or after 1 July 2006 provided that:

- all such applications were made on or after 19 December 2001.
- no development contribution under this Policy will be imposed on a building consent and/or service connection application that is lodged to give effect to an identical development that was authorised by a resource consent granted by Council before 1 July 2006.



**Methodology – Activity 1 – Libraries**

No historic capital expenditure made in anticipation of growth is recognised.

Capital expenditure in the 2006 Community Plan totals \$7.768m. The capital expenditure is due to the change in needs of existing users i.e. learning centres (internet and computer support), increased numbers of older people requiring large print material, audio facilities and more space. The majority of the capital expenditure is for computer hardware and a pilot digitalisation project to preserve history and make documents more accessible. This capital expenditure is all level of service related, with no clear provision of capacity to provide for future growth and is therefore funded from sources listed in the Revenue and Financing Policy.

<b>Historic capital expenditure</b>					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
				0	0
<b>Community Plan capital expenditure 2006-2016 (2006 dollar terms)</b>					
<b>Maintenance total</b>	<b>Maintenance growth</b>	<b>New assets total</b>	<b>New assets growth</b>	<b>Total</b>	<b>Total growth</b>
\$	\$	\$	\$	\$	\$
7,483,000	0	285,000	0	7,768,000	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
					HEUs
					0
					Fee/HEU
					0

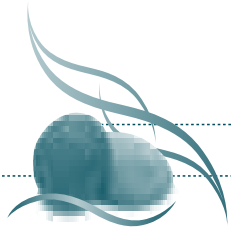
**Methodology – Activity 2 – Museums**

This activity covers two museums – Dowse Museum and Settlers Museum.

Recent historic capital expenditure along with Community Plan capital expenditure totalling \$5,750,000 (or \$2,250,000 net of subsidies) provides for the upgrade and expansion of the Dowse Museum. This expenditure is related to improvements in the level of service for existing residents and therefore funded from other sources listed in the Revenue and Financing Policy.

The Settlers Museum is at full storage capacity however has spare capacity in terms of visitors due to location and level of service.

<b>Historic capital expenditure</b>					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
				0	0
<b>Community Plan capital expenditure 2006-2016 (2006 dollar terms)</b>					
<b>Maintenance total</b>	<b>Maintenance growth</b>	<b>New assets total</b>	<b>New assets growth</b>	<b>Total</b>	<b>Total growth</b>
\$	\$	\$	\$	\$	\$
203,700	0	3,081,815		3,285,515	0
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
					HEUs
					0
					Fee/HEU
					0



**Methodology – Activity 3 – Aquatics & Recreation**

No historic capital expenditure made in anticipation of growth is recognised. The Community Plan provision for additional gym equipment will be recovered from user charges. The pools in Stokes Valley, Wainuiomata and Eastbourne currently have some spare capacity, however Huia & Naenae are at full capacity. The capital expenditure in the Community Plan is for increased level of service for existing residents, such as poolside shade structures & seating.

Historic capital expenditure					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
					0
Community Plan capital expenditure 2006 – 2016 (2006 dollar terms)					
Maintenance total	Maintenance growth	New assets total	New assets growth	Total	Total growth
\$	\$	\$	\$	\$	\$
2,987,000	0	1,100,000	0	4,087,000	0
TOTAL historic and Community Plan capital expenditure for growth					0
					HEUs
					0
					Fee/HEU
					0

**Methodology – Activity 4 – Parks, Reserves, Beaches, Sports Grounds & Cemeteries**

The current collection of a 7.5% reserves contribution fee under the RMA/district plan will continue. No Community Plan based fees are assessed.

No historic capital expenditure made in anticipation of growth is recognised. New and improved assets totalling \$3.9m are provided in the Community Plan.

Historic capital expenditure					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total	Maintenance growth	New assets total	New assets growth	Total	Total growth
\$	\$	\$	\$	\$	\$
4,980,000	0	3,879,200		8,859,200	0
TOTAL historic and Community Plan capital expenditure for growth					0
					HEUs
					0
					Fee/HEU
					0

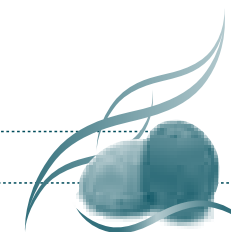
**Methodology – Activities 5 and 6 – Community Support and Community Property**

*Community Support*

No historic capital expenditure made in anticipation of growth is recognised and there is no capital expenditure in the 10 year Community Plan for this activity.

*Community Property*

No historic capital expenditure made in anticipation of growth is recognised. This activity includes the buildings for Community Halls & Libraries. All capital expenditure is considered by asset managers to be level of service improvements for existing residents.



Historic capital expenditure					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
<b>Maintenance total</b>	<b>Maintenance growth</b>	<b>New assets total</b>	<b>New assets growth</b>	<b>Total</b>	<b>Total growth</b>
\$	\$	\$	\$	\$	\$
5,115,750	0	1,684,380	0	6,800,130	0
TOTAL historic and Community Plan capital expenditure for growth					
					0
				HEUs	0
				Fee/HEU	0

#### Methodology – Activity 7 – Roading & Traffic

No historic capital expenditure made in anticipation of growth is recognised.

When planning road projects, growth is considered especially in terms of heavy weight limits arising from the increased numbers of commercial vehicles using the roads. Roads are strengthened in anticipation of traffic growth, however this traffic growth could be from a mix of increased propensity to travel and true growth. Land Transport NZ allows a 2% compounding traffic growth mainly as a result of increased propensity to travel.

Projects discussed but not included in the 10-year plan include the Cross Valley Link, Valley Floor Connector, and the Melling Bridge. These would increase network efficiency and provide more capacity for the city-wide network however they cannot be subject to a development contribution as they are not in the Community Plan.

New, improved and some maintenance assets (growth portion of reseals) totalling \$41m after allowance for Land Transport NZ subsidies are provided for in the Community Plan. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth and 1% in the case of reseals.

#### Calculation of HEUs

Each new household is assumed to generate 10 vehicle movements per day, and this is therefore the HEU for the activity.

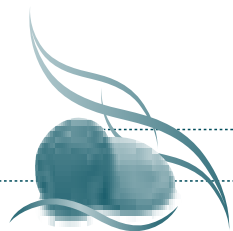
Non-residential HEU equivalents are assessed as:

- Commercial 2 HEU per 100 square metres of gross floor area;
- Retail 4 HEU per 100 square metres of gross floor area;
- Industrial 0.3 HEU per 100 square metres of gross floor area.

New residential HEUs are assumed to total 2000 in ten years. New non-residential HEUs are calculated as shown in the table below, using the HEU conversion rates calculated above.

	New Floor Area (m <sup>2</sup> per annum)	Total New Floor Area to 2016 (m <sup>2</sup> )	HEUs/ 100m <sup>2</sup>	Total HEUs
Commercial	1,000	10,000	2	200
Retail	2,000	20,000	4	180
Industrial	6,000	60,000	0.3	800
Residential				2,000
<b>Total</b>				<b>3,180</b>

Historic capital expenditure					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
<b>Maintenance total</b>	<b>Maintenance growth</b>	<b>New assets total</b>	<b>New assets growth</b>	<b>Total</b>	<b>Total growth</b>
\$	\$	\$	\$	\$	\$
34,248,500	234,500	17,881,530	893,525	52,130,030	1,128,025
TOTAL historic and Community Plan capital expenditure for growth					
					1,128,000
				HEUs	3,180
				Fee/HEU	355



**Methodology – Activity 8 – Water Supply**

No historic capital expenditure made in anticipation of growth is recognised.

While maintenance capital expenditure can make a marginal provision for growth (e.g. replacement of pipe with a larger capacity pipe) this is not considered to be a material expense. Capital expenditure in the improving services classification includes building new water reservoirs to increase the existing storage capacity, upgrading pipelines to improve water pressure and flows, and shutoff valves to isolate the water supply in case of an earthquake (extending the life of the asset) and is improving the level of service for existing users.

It is assumed that the new assets on average provide for the assumed 5% ten-year city growth over both residential and non-residential sectors. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

*Calculation of Residential HEUs*

The average daily water supply to Hutt City is 38.2 million litres, or 38,200 cubic metres (m<sup>3</sup>), and wastewater flows excluding trade waste average around 27,000 m<sup>3</sup>. This suggests 70.5% of water supplied is discharged as wastewater. Given a residential HEU of 675 litres per day for wastewater (see Activity 9 – Wastewater for calculation), this implies a water HEU of 675 / .705 = 957 litres per day.

*Calculation of Non-residential HEUs*

Using the HEU of 957 litres per day, and household numbers of 34,662, total water supplied to the residential sector per day is 33,172 m<sup>3</sup>. Water supplied to the non-residential sector is therefore 5,028 m<sup>3</sup>. Dividing this flow by 957 litres suggests that there are 5,254 HEUs in the non-residential sector. Given estimated total gross floor area of 20.057 million square metres (m<sup>2</sup>), this equates to 0.26 HEU per 100 m<sup>2</sup> of gross floor area.

*Growth in HEUs*

Growth of 2,000 HEUs is assumed for the residential sector during the period 2006 – 2016. New non-residential HEUs are calculated as shown in the table below, using the HEU conversion rate calculated above.

	New Floor Area (m <sup>2</sup> per annum)	Total New Floor Area to 2016 (m <sup>2</sup> )	HEUs/ 100m <sup>2</sup>	Total HEUs
Commercial/Retail	3,000	30,000	0.26	77
Industrial	6,000	60,000	0.26	154
Residential				2,000
<b>Total</b>				<b>2,231</b>

*Calculation of Development Contribution for Water*

<b>Historic capital expenditure</b>					
				<b>Total \$</b>	<b>Total growth \$</b>
					0
<b>Community Plan capital expenditure 2006 – 2016 (2006 dollar terms)</b>					
<b>Maintenance total \$</b>	<b>Maintenance growth \$</b>	<b>New assets total \$</b>	<b>New assets growth \$</b>	<b>Total \$</b>	<b>Total growth \$</b>
15,270,000	0	5,445,000	272,250	20,715,000	272,250
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>272,250</b>
					HEUs
					2,231
					Fee / HEU
					122

Developments where there is no connection to water supply reticulation systems will not be required to pay water fees. If the Development is subsequently connected to the water reticulation system, the applicable contribution will be payable prior to connection.





**Methodology – Activity 9 – Wastewater**

*Historic Capital Expenditure - Wastewater Treatment Plant*

LGA s199(2) enables Council to require a development contribution for capital expenditure already incurred in anticipation of development. The wastewater project completed in 2002 is the most significant historic investment of this type.

*Provision for growth*

The treatment plant was completed in 2002 at a cost of \$61 million (Source: Hutt City Annual Report 2001 / 2002). 70% of design capacity was allocated to Hutt, and 30% allocated to Upper Hutt at the time of construction. The plant was designed and built with 10% spare capacity for growth.

Of the total capital cost, Upper Hutt paid approximately \$16 million, or 26%, leaving a net cost to Hutt of \$45 million. Of the amount paid by Hutt, 10% or \$4.5 million was for growth.

*Calculation of HEUs – Residential*

A typical flow of wastewater per person per day in a household is 250 litres. Given an average of 2.7 people per household, this gives 675 litres per day. This figure equates to 1 HEU. Given 34,662 residential households (and, therefore, HEUs) in Hutt City, total residential flows per day =23.4 million litres, or 23,400m<sup>3</sup>.

*Calculation of HEUs – Non-residential*

The wastewater treatment has an average daily flow of 54,000 m<sup>3</sup> per day for both Hutt and Upper Hutt. In very dry months this can drop as low as 41,000 m<sup>3</sup> per day. This suggests an infiltration of stormwater into the sewerage system of around 30% of total flows.

Average total daily flows from Hutt City are around 40,000 m<sup>3</sup>. Given 30% infiltration, actual wastewater produced is around 30,800 m<sup>3</sup>. Given that 23,400 m<sup>3</sup> is residential, this leaves 7,400 m<sup>3</sup> of non-residential flows.

The average daily flow of trade waste from Hutt City is around 3,840 m<sup>3</sup>, leaving around 3,560 m<sup>3</sup>.

Converting the non-residential flows (excluding trade waste) to HEUs, using 675 litres as the HEU for wastewater, gives 5,274 HEUs in the non-residential sector.

Given a total commercial, retail and industrial Gross Floor Area of 2.057 million m<sup>2</sup> (as estimated by DTZ), this equates to 0.26 HEUs per 100 m<sup>2</sup> of GFA.

The total design number of HEUs is therefore 34,662 + 5,274 = 39,936. Spare capacity at 10% is 3994 HEU. The cost per HEU is therefore \$4.5 million / 3994 = \$1,127.

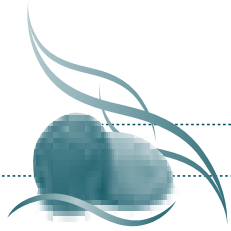
*Community Plan Capital Expenditure*

The Community Plan includes capex for new works and improvements of \$12.066 million net of subsidies. It is assumed that 5%, or \$603,357 of this capex caters for growth during the period covered by the Community Plan.

New residential HEUs are assumed to total 2000 in ten years. New non residential HEUs are calculated as shown in the table below, using the HEU conversion rate calculated above, and the estimated new gross floor area for each sector, as supplied by DTZ.

	New Floor Area (m <sup>2</sup> per annum)	Total New Floor Area to 2016 (m <sup>2</sup> )	HEUs/ 100m <sup>2</sup>	Total HEUs
Commercial/Retail	3,000	30,000	0.26	77
Industrial	6,000	60,000	0.26	154
Residential				2,000
<b>Total</b>				<b>2,231</b>

Most capital expenditure is required to reduce overflows of dilute wastewater to streams caused by inflow and infiltration of stormwater to the sewers during heavy rainfall. While these works are primarily providing an improved level of service to existing users, design capacities are on average over time assumed to allow for growth. It is assumed that the new assets on average provide for the assumed 5% ten-year city growth over both residential and non-residential sectors totalling 2,231 HEUs. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.



Historic capital expenditure					
				<b>Total</b>	<b>Total</b>
				\$	\$
				45,000,000	4,500,000
				HEUs	3,994
				Fee/HEU	1,127
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
Maintenance total	Maintenance growth	New assets total	New assets growth	Total	Total
\$	\$	\$	\$	\$	\$
37,321,777	0	12,066,085	603,357	49,387,862	603,357
				HEUs	2,231
				Fee/HEU	270
				Total Fee/HEU	1,397

Developments where there is no connection to the wastewater reticulation system will not be required to pay wastewater fees. If the Development is subsequently connected to the wastewater reticulation system, the applicable contribution will be payable prior to connection.

**Methodology – Activity 10 – Stormwater**

No historic capital expenditure made in anticipation of growth is recognised.

The 2006-2016 LTCCP capital expenditure is required because of the change in climate and increasing strength or intensity of the storms. Recent flooding has demanded improved services and upgrades to the existing services. While these works are primarily providing an improved level of service to existing users, design capacities are on average over time assumed to allow for growth. It is assumed that the new assets on average provide for the assumed 5% ten-year city growth. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

*Calculation of HEUs*

A figure of 200 square metres of impervious surface area has been assumed for the average residential lot. This becomes the HEU for stormwater.

The figure of 200 m<sup>2</sup> of impervious surface area has also been applied to the non-residential sector. The charge would only apply to new impervious surface area.

Commercial development over the period 2006 – 2016 is expected to total 10,000 m<sup>2</sup> of gross floor area.. Assuming an average site coverage of 400% (i.e. a four storey development), this gives 2,500 m<sup>2</sup> of impervious surface area. For retail, at 20,000 m<sup>2</sup> of gross floor space, and an assumed site coverage of 150%, the impervious surface area would be 13,333 m<sup>2</sup>. Industrial development of 60,000 m<sup>2</sup> of gross floor space is assumed with 100% site coverage, giving 60,000 m<sup>2</sup> of impervious surface area.

This gives a total impervious surface area for non-residential developments of around 76,000 m<sup>2</sup>, or 380 HEU.



Historic capital expenditure					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
<b>Maintenance total</b>	<b>Maintenance growth</b>	<b>New assets total</b>	<b>New assets growth</b>	<b>Total</b>	<b>Total growth</b>
\$	\$	\$	\$	\$	\$
4,804,000	0	28,460,000	1,423,000	33,264,000	1,423,000
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>1,423,000</b>
HEUs					2,380
Fee/HEU					598

Development in non-urban areas where no stormwater systems are provided will not pay a stormwater fee.

**Methodology – Activity 11 – Solid Waste, Activity 12 – Environmental Management & Activity 13 – Emergency Management**

*Activity 11 – Solid Waste*

Capital expenditure totalling \$18,664,000 in the 2006-2016 Community Plan along with historic expenditure is covered by User Charges.

*Activity 12 – Environmental Management*

There is no capital expenditure in the 10 year Community Plan for this activity.

*Activity 13 – Emergency Management*

Capital expenditure of \$435,000 in the Community Plan is for level of service improvements. Any element of growth capital expenditure is not material.

**Methodology – Activity 14 – Local Urban Design**

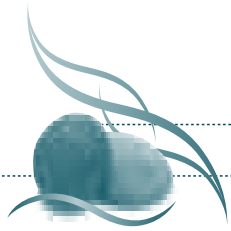
No historic capital expenditure made in anticipation of growth is recognised.

In the 2006-2016 LTCCP, there is capital expenditure of \$4.0m for the CBD Masterplan and suburban shopping centre improvements. It is assumed that these assets on average provide for the assumed 5% ten-year city growth. On an average cost allocation basis, 5% of the total capital expenditure is allocated to growth.

*HEU Calculation*

New residential HEUs are assumed to total 2,000 in ten years. New non-residential HEUs are calculated on the same basis as for Activity 7 – Roading and Traffic, and total 1,180.

Historic capital expenditure					
				<b>Total</b>	<b>Total growth</b>
				\$	\$
					0
Community Plan capital expenditure 2006-2016 (2006 dollar terms)					
<b>Maintenance total</b>	<b>Maintenance growth</b>	<b>New assets total</b>	<b>New assets growth</b>	<b>Total</b>	<b>Total growth</b>
\$	\$	\$	\$	\$	\$
0	0	4,100,000	205,000	4,100,000	205,000
<b>TOTAL historic and Community Plan capital expenditure for growth</b>					<b>0</b>
HEUs					3,180
Fee/HEU					64



**Methodology – Activity 15 – Economic Development**

No historic capital expenditure made in anticipation of growth is recognised.

The 2006-2016 Community Plan capital expenditure totalling \$900,000 is for various projects to develop businesses, increase tourism and events in Hutt City and contribute to regional growth. The growth component is not sufficiently material to warrant a development contribution.

Historic capital expenditure						
				Total \$	Total growth \$	
					0	
Community Plan capital expenditure 2006-2016 (2006 dollar terms)						
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$	
300,000	0	600,000	0	900,000	0	
TOTAL historic and Community Plan capital expenditure for growth					0	
					HEUs	0
					Fee/HEU	0

**Methodology – Activity 16 – Elected Members & Activity 17 – Advice & Support**

*Activity 16 – Elected Members*

There is no capital expenditure in the 10 year Community Plan for this activity.

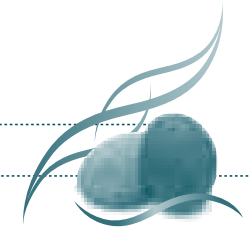
*Activity 17 – Advice & Support*

There is no capital expenditure in the 10 year Community Plan for these activity.

**Methodology – Activity 18 – Managing Services**

Capital expenditure in this area is for corporate overheads and includes improvements to support Council functions of customer relations, corporate planning, finance, and information management. No fees are proposed. It is possible that the Local Government Act does not provide for collection of fees for this activity.

Historic capital expenditure						
				Total \$	Total growth \$	
					0	
Community Plan capital expenditure 2006-2016 (2006 dollar terms)						
Maintenance total \$	Maintenance growth \$	New assets total \$	New assets growth \$	Total \$	Total growth \$	
12,740,603	0	7,522,519	0	20,263,122	0	
TOTAL historic and Community Plan capital expenditure for growth					0	
					HEUs	0
					Fee/HEU	0



## LIABILITY MANAGEMENT POLICY

### INTRODUCTION

Section 102(4)(b) of the Local Government Act 2002 requires Council to adopt a Liability Management Policy. The requirements of that policy are listed in section 104. The relevant legislation is reproduced below:

#### Section 104 Liability Management Policy

*A policy adopted under section 104(4)(b) must state the local authority's policies in respect of the management of both borrowing and other liabilities, including –*

- *interest rate exposure; and*
- *liquidity; and*
- *credit exposure; and*
- *debt repayment; and*
- *specific borrowing limits; and*
- *the giving of securities.*

### GENERAL POLICY

Council's liabilities comprise borrowings and various other liabilities. Council's Liability Management Policy focuses on borrowing as this is the most significant component and exposes Council to the most significant risks.

Other liabilities are generally non-interest bearing. Cash flows associated with other liabilities are incorporated in cash flow forecasts for liquidity management purposes and determining future borrowing requirements.

Council raises borrowing for the following primary purposes:

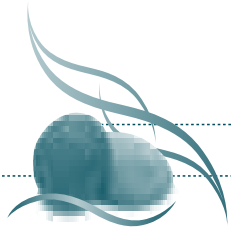
- General debt to fund Council's balance sheet and from time to time liquidity requirements
- Specific debt associated with "special one-off" projects and capital expenditure
- To fund assets with intergenerational qualities.

Council is able to borrow through a variety of market mechanisms including the issue of bonds or commercial paper and direct bank borrowing.

In evaluating new borrowings (in relation to source, term, size and pricing) the General Manager Finance and Treasurer will take into account the following:

- The size and economic life of the related project
- The impact of the new debt on the borrowing limits
- Relevant interest rate margins payable under each borrowing source
- Council's overall debt maturity profile, to ensure concentration of debt is avoided at re-issue/rollover time
- Prevailing interest rates relative to term for bond and commercial paper issuance and bank borrowing, and management's view of future interest rate movements
- Available terms from bond and commercial paper issuance and from banks
- Legal documentation and financial covenants
- Alternative funding mechanisms such as leasing are evaluated with financial analysis in conjunction with traditional on-balance sheet funding. The evaluation takes into consideration ownership, redemption value and effective cost of funds.

Interest expenses arising on the existing debt portfolio and future borrowings will generally be allocated to specific activities of Council in proportion to the assets employed by each activity. Subject to the approval of the Executive Management Team, selected interest costs may be charged directly to Council activities if related borrowings are clearly identifiable as relating to that activity.



### OVERALL BORROWING LIMITS

In managing borrowing Council adheres to the following limits:

**Limit**

Net debt as a percentage of equity	<20%
Net debt as a percentage of income	<150%
Net interest as a percentage of income	<10%
Net interest as a percentage of annual rates income	<15%
Liquidity (Term debt + committed loan facilities to peak net 12 month debt)	>100%
Net debt	<\$100 million
Net debt per capita	<\$1,000

*Net debt* is defined as the amount of total debt net of liquid financial assets/investments (including sinking funds).

*Income* is defined as earnings from rates, government grants and subsidies, user charges, interest and other revenue.

*Rates* exclude regional levies.

Debt is repaid as it falls due in accordance with the applicable loan agreement. Subject to the debt limits a loan may be rolled over or renegotiated as and when appropriate.

### MANAGING DEBT REFINANCING RISK

Cash flow deficits in various future periods based on long term financial forecasts are reliant on the maturity structure of loans and facilities. Liquidity risk management focuses on the ability to borrow at that future time to fund the gaps. Funding risk management centres on the ability to refinance or raise new debt at a future time at the same or more favourable pricing (fees and borrowing margins) and maturity terms of existing facilities.

Managing Council’s funding risks is important as several risk factors can arise to cause an adverse movement in borrowing margins, term availability and general flexibility including:

- Local Government risk is priced to a higher fee and margin level
- Council’s own credit standing or financial strength as a borrower deteriorates owing to financial, regulatory or other reasons
- A large individual lender to Council experiences its own financial/exposure difficulties resulting in Council not being able to manage its debt portfolio as optimally as desired
- The New Zealand investment community experiences a substantial over supply of Council investment assets.

A key factor in funding risk management is to spread and control the risk to reduce the concentration of risk at one point in time so that if any of the above events occur, the overall borrowing cost is not unnecessarily increased, nor is the desired maturity profile compromised owing to market conditions.

### Liquidity/Funding Risk Control Limits

Council manages liquidity and funding risk through application of the following limits and principles:

- Term debt and committed debt facilities are maintained at an amount that averages 100% of projected peak net debt levels over the next 12 months (per long term cash and debt forecasts)
- An allocated amount of committed credit facilities is designated as cover for special funds as outlined in the Investment Policy and other legislative requirements
- The maturity profile of total committed funding in respect to all loans and committed facilities is maintained within the following limits:

Period	Minimum	Maximum
0 to 3 years	10%	60%
3 to 5 years	20%	60%
5 years plus	10%	60%



- A maturity profile outside these limits requires specific approval of the Finance and Corporate Review Committee. A 12-month non-compliance period from August 2002 is permitted while this revised Liability Management Policy is being phased in.
- Treasury staff provide comprehensive daily and weekly cash management reporting, together with rolling 12-month forecasts, annual cash/debt forecasting and long term debt forecasts out to 10-years. This reporting is used to monitor actual and forecast liquidity and funding risk and to plan accordingly
- The General Manager Finance has the discretionary authority to refinance existing debt on more favourable terms.

**MANAGING INTEREST RATE RISK**

**Risk Recognition**

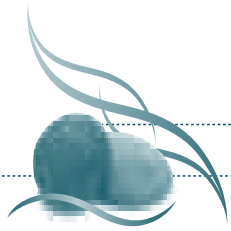
Interest rate risk is the risk that funding costs (owing to adverse movements in market interest rates) will materially exceed adopted annual plans and 10-year interest cost projections, so as to adversely impact cost control, capital investment decisions/returns/ and feasibilities.

Given Council’s debt level it has a large exposure to interest rate movements (a 1% interest rate movement on \$50 million of debt over 12 months = \$500,000). Accordingly, the primary objective of interest rate risk management is to reduce the uncertainty of interest rate movements through fixing of funding costs. However, a secondary objective is to minimise the net funding costs for Council within acceptable risk parameters. Both objectives are to be achieved through the active management of underlying interest rate exposures.

**Approved Financial Instruments**

Dealing in interest rate products must be limited to the following financial instruments:

CATEGORY	INSTRUMENT
<b>Cash management and borrowing</b>	Bank overdraft Committed cash advance and bank accepted bill facilities (term facilities) Uncommitted money market facilities Bond issuance
<b>Investments</b>	Short term bank deposits Bank bills Bank certificates of deposit (CDs) Treasury bills Local Authority stock or State-owned Enterprise (SOE) bonds Corporate bonds Promissory notes/commercial paper
<b>Interest rate risk management</b>	Forward rate agreements (“FRAs”) on: <ul style="list-style-type: none"> <li>– Bank bills</li> <li>– Government bonds</li> </ul> Interest rate swaps including: <ul style="list-style-type: none"> <li>– Forward start swaps (start date &lt;24 months)</li> <li>– Amortising swaps (whereby notional principal amount reduces)</li> </ul> Interest rate options on: <ul style="list-style-type: none"> <li>– Bank bills (purchased caps and 1:1 collars)</li> <li>– Government bonds</li> </ul> Interest rate swaptions (purchased only).



Any other financial instrument must be specifically approved by Council on a case-by-case basis and only be applied to the one transaction being approved.

Credit exposure on these financial instruments is restricted by counterparty credit limits specified in Council's Treasury Policy.

**INTEREST RATE RISK CONTROL LIMITS**

**Borrowings**

Council borrowings must be within the following fixed/floating interest rate risk control limits:

**Master Fixed/Floating Risk Control Limits**

Minimum Fixed Rate	Maximum Fixed Rate
55%	95%

“Fixed Rate” is defined as an interest rate repricing date beyond 12 months forward on a continuous rolling basis.

“Floating Rate” is defined as an interest rate repricing within 12 months.

The percentages are calculated on the rolling 12-month projected net debt level calculated by the Treasury Accountant (signed off by the Treasurer). This allows for pre-hedging in advance of projected physical drawdowns of new debt. When approved forecasts are changed the amount of fixed rate cover in place may have to be adjusted to comply with the policy minimums and maximums.

The fixed rate amount at any point in time must be within the following maturity bands:

**Fixed Rate Maturity Profile Limit**

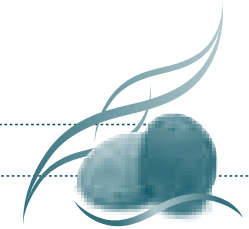
Period	Minimum Cover	Maximum Cover
1 to 3 years	20%	60%
3 to 5 years	20%	60%
5 to 10 years	15%	60%

A fixed rate maturity profile that is outside the above limits, but self corrects in less than 90 days, is not in breach of this policy. However, maintaining a fixed rate maturity profile outside the above limits requires specific approval of the Finance and Corporate Review Committee.

The following additional controls are applied to manage interest rate risk:

- Floating rate debt may be spread over any maturity out to 12 months. Bank advances may be for a maximum term of 12 months
- Forward rate agreements (FRAs) outstanding at any one time must not exceed 75% of the total floating rate debt. FRAs may be “closed out” before maturity date by entering an equal and opposite FRA to the same maturity date or, alternatively, by purchasing an option on an FRA for the equal and opposite amount to the same date
- Interest rate options must not be sold outright. However, 1:1 collar option structures are allowable whereby the sold option is matched precisely by amount and maturity to the simultaneously purchased option. During the term of the option, one side of the collar cannot be closed out by itself, both must be closed simultaneously. The sold option leg of the collar structure must not have a strike rate “in-the-money”
- Purchased borrower swaptions must mature within 12 months unless specifically approved by the Finance and Corporate Review Committee
- Interest rate options with a maturity date beyond 12 months, which have a strike rate (exercise rate) higher than 1.00% above the appropriate swap rate, cannot be counted as part of the fixed rate cover percentage calculation.



**Security**

Council's borrowings and interest rate risk management instruments will generally be secured by way of a charge over Council's rate revenue. However, if it is considered advantageous, Council's borrowings and other financial arrangements may be on an unsecured basis, or secured by way of a charge over physical assets.

Physical assets will be charged only where:

- There is a direct relationship between the debt and the purchase or construction of the asset that it funds (eg, an operating lease, or project finance)
- The General Manager Finance considers a charge over physical assets to be appropriate
- The Treasurer ensures that the required register of charges and any associated documents are provided, filed and kept in accordance with the provisions of the Local Government Act 2002 and any other relevant legislation.

Council's utilisation of special funds as detailed in the Investment Policy will be on an unsecured basis.

**Debt Repayment**

The funds from all asset sales and operating surpluses will be applied to the reduction of debt and/or a reduction in borrowing requirements, unless Council specifically directs that the funds be put to another use.

Council will manage debt on a net portfolio basis at all times with the exception of sinking funds relating to debt raised before 1 July 1998 as provided under legislation. Council will only make the statutory minimum contributions to these sinking funds.

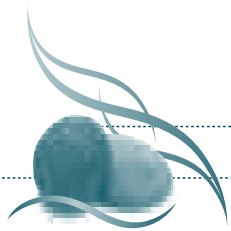
This also applies to funds vested to Council for specific purposes as dictated by legislation.

**Contingent Liabilities**

Council from time to time provides financial guarantees to community, sporting, cultural and similar non-profit organisations. Management ensures that the organisation is financially sound and the project is financially viable on a stand-alone basis.

Council's maximum liability is limited to \$1.2 million and \$300,000 for any single loan. Financial guarantees are given for a period of no more than 10 years.

Financial statements are received annually and Council is notified if the loan falls into arrears. Should any guarantee be called upon Council will take immediate steps to recover the money.



## INVESTMENT POLICY

### INTRODUCTION

Section 102(4)(c) of the Local Government Act 2002 requires Council to adopt an investment policy. The requirements of that policy are listed in section 105. The relevant legislation is reproduced below:

Section 105 Investment Policy

*A policy adopted under section 102(4)(c) must state the local authority's policies in respect of investments including –*

- *the objectives in terms of which financial and equity investments are to be managed; and*
- *the mix of investments; and*
- *the acquisition of new investments; and*
- *an outline of the procedures by which investments are managed and reported on to the local authority; and*
- *an outline of how risks associated with investments are assessed and managed.*

### GENERAL POLICY

As Council is a net borrower of funds and applies surplus funds to debt repayment, investments are only maintained to meet specified business objectives. An example is the holding of minor equity investments in order to participate in selected local authority mutual funds for risk management purposes. The mix of investments held is outlined below. Investments are generally managed by Council's finance group, which monitors investments, assesses associated risks and reports monthly to Council's Executive Management Team and quarterly to Council's Finance and Corporate Review Committee.

### LIQUID INVESTMENTS

For the foreseeable future Council will have a permanent net debt/borrowing position and will use flexible short-term working capital money market funding lines. Accordingly, it does not have any requirement to be in a surplus cash situation.

Therefore, any liquid investments must be restricted to a term that meets future cash flow projections. Any liquid investments must be placed within the counterparty credit limits specified in Council's Treasury Policy.

### SINKING FUNDS

Council is no longer required to use sinking funds as a mechanism for loan repayments. Where practical, Council will actively pursue the cessation of contributions to existing sinking funds. Accordingly, the existing sinking funds established before 1 July 1998 will run down over their attributable lives to zero.

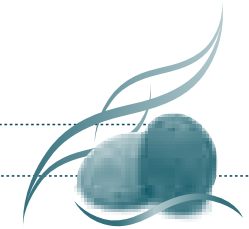
Given that Council will be a net borrower for the remaining lives of the existing sinking funds, the sinking funds should be used for internal borrowing purposes. This will negate any interest rate gap risk that occurs when Council borrows at a higher rate compared with the investment rate achieved by sinking funds. Such internal borrowings should be netted from the "net debt level".

A statement of sinking funds is prepared annually by the Sinking Fund Commissioners.

### SPECIAL FUNDS

Liquid assets will not be required to be held against special funds. Instead, Council will manage these funds using internal borrowing facilities.

Accounting entries representing monthly interest accrual allocations will be made using Council's average weighted cost of funds for that period.



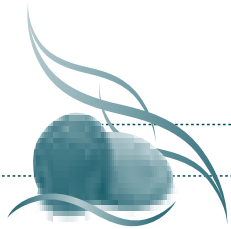
### **TRUST FUNDS**

Trust Funds represent those administered by Council in terms of a bequest trust deed, or similar document that has been created by a third party. Such funds are to be separately invested and used for the express purpose for which they were intended.

### **EQUITY INVESTMENTS**

Council's equity investments are restricted to minor strategic holdings in selected organisations and interests in several Council-controlled Organisations.

The objectives of Council-controlled Organisations are as defined in section 59 of the Local Government Act 2002, and as set out in their statements of intent approved by Council each year.



## REVENUE AND FINANCING POLICY

### INTRODUCTION

Under the Local Government Act 2002 (“the Act”), Council is required to adopt a Revenue and Financing Policy using the special consultative procedure outlined in the Act. Council adopted its first Revenue and Financing Policy as part of the Long Term Council Community Plan 2004-2014, and is reviewing the Policy as part of the draft Community Plan for 2006-2016.

This Revenue and Financing Policy contains Council’s policies in respect of funding operating and capital expenditure from available sources. It is an important policy as it determines who pays for Council’s activities.

This policy is set out under the following major headings:

- Policy statement
- Legal requirements of the Revenue and Financing Policy
- Council’s process for applying these legal requirements
- Overall funding considerations
- Individual activity analysis.

### POLICY STATEMENT

#### Funding of Operating Expenditure

Council funds operating expenditure from the following sources:

- General rates, including any Uniform Annual General Charge
- Targeted rates for water supply, wastewater, and some specific projects
- Fees and charges
- Interest and dividends from investments
- Grants and subsidies towards operating expenses (grants and subsidies towards capital expenditure are applied to the related capital expenditure only)
- Other operating revenue.

Council may choose to not fully fund operating expenditure in any particular year, if the deficit can be funded from operating surpluses in the immediately preceding or subsequent years. An operating deficit will only be budgeted when beneficial to avoid significant fluctuations in rates, fees or charges.

Council may choose to fund from the above sources more than is necessary to meet the operating expenditure in any particular year. Council will only budget for such an operating surplus if necessary to fund an operating deficit in the immediately preceding or following years, or to repay debt. Council will have regard to forecast future debt levels when ascertaining whether it is prudent to budget for an operating surplus for debt repayment.

Council has determined the proportion of operating expenditure to be funded from each of the sources listed above, and the method for apportioning rates and other charges. The process used is as specified by the Act. The next two sections of this Revenue and Financing Policy show the Act’s requirements and how Council has interpreted them.

The following two sections contain the detailed analysis Council has undertaken to meet these requirements.

The results of this work are that Council has determined that it will seek to fund its operating expenditure as follows:

General rates – residential	27.0%
General rates – business	19.9%
General rates – utilities	1.0%
General rates – rural	0.3%
Targeted rate – water supply	10.0%
Targeted rate – wastewater	12.9%
Fees and charges	22.3%
Interest income	0.1%
Operating subsidies	5.3%
Other sources	1.2%
	<b>100.0%</b>



The Act also requires Council to produce a Funding Impact Statement that provides details on the funding mechanisms to be used for each year covered by the Community Plan. The Funding Impact Statement shows how Council intends to implement the Revenue and Financing Policy each year. It also shows the amounts to be collected from each available source, including how various rates are to be applied.

#### **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 best match charges placed on the community against the period of benefits from capital expenditure.

Borrowing is managed within the framework specified in the Liability Management Policy. While seeking to minimise interest costs and financial risks associated with borrowing is of primary importance, Council seeks to match the term of borrowings with the average life of assets when practical.

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 Act, and financial contributions under the Resource Management Act 1991
- Contributions towards capital expenditure from other parties such as Land Transport NZ (in relation to certain roading projects) and Upper Hutt City Council (in relation to joint wastewater activities)
- Annual revenue collected to cover depreciation charges
- Proceeds from the sale of assets
- Operating surpluses.

The Forecast Financial Statements included in the Community Plan contain a Statement of Prospective Net Debt Position. This Statement provides a summary of forecast borrowing levels, identifying the impact of capital expenditure and the various other capital funding sources listed above.

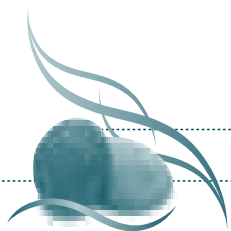
#### **LEGAL REQUIREMENTS OF THE REVENUE AND FINANCING POLICY**

Section 102(4)(a) of the Local Government Act 2002 requires Council to adopt a Revenue and Financing Policy. The requirements of that policy are listed in Section 103.

The relevant legislation is reproduced below:

#### **Section 103 Revenue and financing policy**

- (1) *A policy adopted under section 102(4)(a) must state –*
  - (a) *the local authority's policies in respect of the funding of operating expenses from the sources listed in subsection (2)*
  - (b) *the local authority's policies in respect of the funding of capital expenditure from the sources listed in subsection (2).*
- (2) *The sources referred to in subsection (1) are as follows:*
  - (a) *general rates, including –*
    - (i) *choice of valuation system*
    - (ii) *differential rating*
    - (iii) *uniform annual general charges;*
  - (b) *targeted rates;*
  - (c) *fees and charges;*
  - (d) *interest and dividends from investments;*
  - (e) *borrowing;*
  - (f) *proceeds from asset sales;*
  - (g) *development contributions;*
  - (h) *financial contributions under the Resource Management Act 1991;*
    - (i) *grants and subsidies;*
    - (j) *any other source.*
- (3) *A policy adopted under section 102(4)(a) must also show how the local authority has, in relation to the sources of funding identified in the policy, complied with section 101(3).*



### Section 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 –*
  - (i) *the Community Outcomes to which the activity primarily contributes*
  - (ii) *the distribution of benefits between the community as a whole, any identifiable part of the community, and individuals*
  - (iii) *the period in or over which those benefits are expected to occur*
  - (iv) *the extent to which the actions or inaction of particular individuals or a group contribute to the need to undertake the activity*
  - (v) *the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities*
- (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.*

### Section 14 Principles relating to local authorities

This section lists a set of general principles applying to all significant decisions, which includes the funding policy. In summary, the general principles of section 14 require the conduct of Council business and decision-making to be:

- Transparent and accountable
- Efficient and effective
- Focused on meeting Community Outcomes
- Responsive to diverse community interests including future generations
- Inclusive of Maori
- Collaborative with other local authorities
- Based on sound business practices in the case of commercial transactions
- Demonstrative of prudent stewardship of resources
- Based on a sustainable approach reflecting the social, economic, environmental and cultural well-being of future generations.

### Section 77 Decision-making

This section provides further guidance including the need to identify:

- The comprehensive costs and benefits of options
- The impact of decisions on achieving outcomes
- The impact on capacity to meet current and future generations' needs
- Maori issues.

### COUNCIL'S PROCESS FOR APPLYING THESE LEGAL REQUIREMENTS

The first step of the process followed by Council when developing the Revenue and Financing Policy has been to analyse the requirements of section 101(3)(a) of the Act.

This has involved considering each of the 18 significant activities of Council in terms of this section of the Act. The headings used for this analysis are:

- Community Outcomes
- Distribution of benefits
- Period of benefits
- Exacerbator pays
- Costs and benefits of distinct funding.

The commentary below explains the issues discussed under each heading and how they relate to the Act's requirements. This is the first step used by Council in determining how its activities should be funded.

The next step in Council's process has been to consolidate the results of the individual significant activity analyses. The consolidated results were then considered in terms of section 101(3)(b), whereby the overall impact on the community was assessed. The matters taken into account, and the ability to adjust funding demands across different groups, are discussed under the "overall considerations" heading below.

Council then used the results of this work to formulate its policy for funding operating and capital expenditure from the available sources. The policy itself is presented under the heading "Policy Statement" above.



### Analysis of Section 101(3)(a) Requirements

#### Community Outcomes

Section 101(3)(a)(i) requires Council to identify the Community Outcome to which each activity primarily contributes.

This Revenue and Financing Policy lists, for each activity, the Outcome or Outcomes to which it primarily contributes, and states why each activity is undertaken.

#### Distribution of Benefits

Section 101(3)(a)(ii) 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.

In order to assess the distribution of benefits, it is necessary to first describe and define the different types of benefits that flow from Council activities.

#### Definition of Terms

This Policy uses a number of terms, which are defined below, in the course of the assessment of benefit distribution:

- *Existence benefit* – an existence benefit is one that arises simply from the fact that a facility or service exists. For an activity such as libraries, the fact that the community protests when library closures are mooted suggests that the community (including non-library users) derives a benefit from the existence of the libraries
- *Option benefit* – a similar concept to existence benefit. The fact that people are prepared to pay through rates to maintain museums suggests that they value the option of using the museums if they wish to, even if they don't actually visit them
- *Prestige benefit* – a benefit arising from a facility such as the Dowse which has a high reputation both in and outside Hutt City, and consequently enhances residents' sense of well-being and pride in their city
- *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
- *Public goods* – goods or services that can often only be supplied by the community, and are usually both non-rival and non-excludable.

Benefits flow to the community as a whole directly where:

- Additional people benefiting has little or no impact on costs eg, democracy
- The person or people benefiting cannot be identified eg, parks and reserves
- The community in general benefits eg, Elected Members.

The community as a whole can also benefit indirectly from option benefits, existence benefits, and prestige benefits. Generally, benefits that flow to the community as a whole are non-rival and non-excludable.

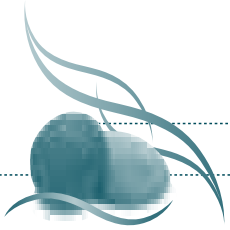
For benefits of this type it is either not possible, not practical, or undesirable to charge people directly, so they are funded through general rates. It is not necessary that the entire community benefits for this principle to be applied.

Direct benefits to an individual or groups of people can be identified when it is possible to identify the user and to withhold the service if the user chooses not to pay. An example is refuse disposal. In this case the costs of those benefits should prima facie be funded on a user pays basis.

#### Period of Benefits

Section 101(3)(a)(iii) 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.

For all activities operating costs are directly related to providing benefits in the year of expenditure. 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. This concept reflects the view 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 etc.

One method used to spread these costs over time is loan funding. This ensures that current ratepayers do not pay for benefits received by future ratepayers. Each year's ratepayers pay the interest (representing the cost of capital) and depreciation charges that are associated with the asset. This results in infrastructural costs being spread more evenly across the life of the asset and the different ratepayers who benefit from it. The costs of reducing existing debt are also relevant in this concept.

These principles of funding operating and capital expenditure are as stated in the Policy Statement section of this Policy. They are assumed to apply to each activity, unless otherwise stated in the Individual Activity Analysis section. Accordingly, this heading is only included in the analysis of those activities which are funded other than in accordance with these principles.

#### **Exacerbator Pays**

Section 101(3)(a)(iv) 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**

Section 101(3)(a)(v) 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 water 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.

Transparency and accountability are most evident when an activity is totally distinctly funded. This allows ratepayers, or payers of user charges as the case may be, to see exactly how much money is being raised for and spent on the activity, and to assess more readily whether or not the cost to them of the activity represents good value.

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 a number of activities by way of a general rate. The Individual Activity Analysis section of policy does not repeat this argument for each activity, but rather assumes that the requirements of transparency and accountability for each activity's funding are adequately met by the publication of the estimates of activity expenditure in the Community Plan, and actual activity costs in Council's Annual Report.

Similarly, the funding method indicated by the distribution of benefits for a particular activity may include user charges. In some activities such as parks and reserves the cost of collection (structures and staff) may well be higher than revenue collected.

In a number of cases the Distribution of Benefits analysis points to the use of a targeted rate on a sector of the community as the most appropriate method of funding that sector's share of the activity costs. In other cases the analysis suggests that a sector benefits less than the rest of the community, or not at all. Council believes that it is most efficient to allocate the costs to the community as a whole, and recognise different cost





and benefit patterns amongst sectors of the community through the use of differentials on the general rate.

The Individual Activity Analysis sets out for each activity the results of Council's consideration of these matters, and any modifications that have been made to the funding shares and sources that are indicated by the distribution of benefits for the activity. It also outlines the distribution of the public funding between different rating groups, and the basis for that distribution.

### OVERALL FUNDING CONSIDERATIONS

Once the consideration of the matters referred to in section 101(3)(a) has been completed, a picture emerges of how different parts of the community benefit from Council's services and an overall indicative allocation of costs is compiled. The indicative allocation of costs is then examined in the light of the overall considerations set out in section 101(3)(b). This section of the Act requires Council to consider 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. Elected member judgement is important at this point, because many of the benefit distribution assessments and resulting adjustments are subjective and benefit from final assessment by community representatives.

The results of the individual activity analysis are presented on the following page. This indicative allocation of costs suggests that Council's costs should be funded from the following sources:

#### Private Funding:

Targeted rates	22.9%
Fees and charges	22.3%
Operating subsidies	5.3%
Interest income	0.1%
Other sources	1.2%
<b>Total private funding</b>	<b>51.8%</b>

#### Public Funding:

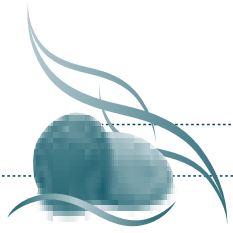
General rates – residential	27.0%
General rates – business	19.9%
General rates – utilities	1.0%
General rates – rural	0.3%
<b>Total public funding</b>	<b>48.2%</b>

Council has considered the overall impact of the indicative private funding allocations on the community and determined that no changes are required to modify the overall impact. Therefore, the allocations shown above approximate the level of charges proposed in this Community Plan. The current level of user charges for each of Council's activities is the result of evaluation over a number of years having regard to the Community Outcomes sought by each activity.

Council also considered the overall impact of the indicative public funding allocations on the community and determined that no changes were required to modify the overall impact. The indicative allocations shown above approximate the allocations proposed in this Community Plan.

It is worth noting that Council has several different levels of rating within the business sector to reflect differences in the costs Council incurs in support of different geographical business areas and other business groupings. The differentials are described in detail in the Funding Impact Statement, but in summary are as follows:

- Business Central 4.7
- Business Queensgate 4.7
- Business Suburban 3.9
- Business Eastbourne 3.9
- Business Suburban JSP 3.9
- Business Accommodation 3.0
- Utilities 2.5



The Business Central differential applies to the central business district. It is higher than the average business differential as Council incurs proportionally more expenditure in support of this area.

Business Queensgate is a differential specifically for that shopping complex. The differential is currently set the same as Business Central.

Business Suburban applies to all business areas other than those covered by separate differentials.

Business Eastbourne has historically had a lower differential than Business Suburban. Council's policy has been to gradually increase this differential until it aligns with Business Suburban. That alignment is planned to be achieved from 1 July 2007.

Business Suburban JSP applies to a specified area in Petone that has agreed to be rated slightly higher than the Business Suburban in order to fund a street development programme. The higher level of rating for this group is achieved through a targeted rate based on capital value.

Business Accommodation is a lower business differential for accommodation facilities, reflecting that a significant portion of the costs attributable to this sub-group is reflected in the targeted rates for water and wastewater.

The utilities differential applies to the distribution networks of utility owners, of which Council is by far the biggest in the city. This differential effectively transfers additional costs to Council's water-related activities, which is offset by a reduction in the overall general rate requirement. The reversal of Council's rates on its own assets is achieved by a consolidated cost adjustment as shown in the table on the previous page.

## INDIVIDUAL ACTIVITY ANALYSIS

### 1. LIBRARIES

#### Description

Council provides, maintains and manages eight libraries in the city. These are run as a single city-wide service. Their primary role is the provision of written and recorded media, such as books, videos and audiotapes as well as access to information through materials held or the internet. Library services are used for many purposes including entertainment, learning and research.

#### Community Outcomes

##### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

Outcome 5 – Lifestyle – “affordable access to community facilities that include arts, cultural and recreational options”

Outcome 9 – Healthy and Educated Community “everyone has access to a wide range of excellent educational services”.

#### Distribution of Benefits

##### s101(3)(a)(ii)

##### *Whole Community*

There is vigorous debate on the extent to which libraries provide benefits to the community as a whole. The most common argument in favour of the existence of such benefits is that the universal availability of literature and knowledge resources promotes social cohesion and enables individuals, particularly young people, to fulfil their potential in positive ways. This argument may well be true but it is virtually impossible to prove in any objective manner. It is, therefore, a matter for subjective judgements of Councillors.



What is quite clear, however, is that the community feels very strongly that Council should provide libraries. A mere hint of closing a library produces strong community protest. This suggests that even while many people do not use libraries, they value them either for their existence, or as an option should they ever want to use them. The fact that a majority of the community is prepared to fund the provision of libraries to a level above their day-to-day personal needs implies that they receive either existence or option benefits from the libraries. Such benefits are both non-excludable and non-rival.

The extent of these benefits to the community as a whole is assessed as being equal to the benefits received by individuals.

*Identifiable Parts of the Community*

There are no identifiable parts of the community that derive benefits distinct from the whole community benefits.

*Individuals*

Benefits to individuals are readily apparent. They accrue to users of the libraries' borrowing services and research facilities every time these services are used. On this basis, the assessment of the distribution of benefits between the community as a whole, identifiable parts of the community, and individuals would be weighted towards individual benefits.

**Total benefit to the community as a whole: 50%**  
**Total benefit to individuals: 50%**

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

The Distribution of Benefits assessment suggests that 50% of the Libraries activity should be funded from general rates, and 50% from a distinct funding source such as user charges.

Funding 50% of the activity cost from user charges would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed.

On the other hand there is a number of costs associated with this level of distinct funding. There is broad public support for the provision of libraries by Council, and Council views libraries as an important part of the social infrastructure of the city. The library system would simply not exist if it operated on a user pays system based on the recovery of 50% of costs in line with the benefits assessed as flowing directly to users. Even limited charging would impact adversely on the lower income groups in the city. Council views the open and free access to information and books for children as being in the best interests of the city as a whole. Finally, charging for reading material would run contrary to the Community Outcome of "affordable access to community facilities that include arts, cultural and recreational options".

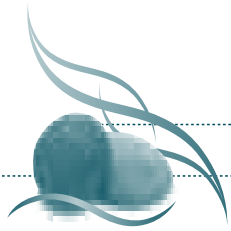
**Total costs allocated to the community as a whole: 93%**  
**Total costs allocated to individuals: 7%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	7.0
<b>Total Private Funding</b>	<b>7.0</b>
<b>Public Funding</b>	
General Rate	
Residential	73.7
Business	14.8
Utility	3.0
Rural	1.5
<b>Total Public Funding</b>	<b>93.0</b>
<b>TOTAL</b>	<b>100.0</b>

The level of user charges is based on Council's experience of recent years, and reflects the perceived maximum level of user charges consistent with Council's social objectives.

The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.



**2. MUSEUMS**

**Description**

Council operates two museums. The Dowse Art Museum displays art, craft and other cultural materials. The Petone Settlers Museum specialises in the social history of the Lower Hutt Valley and Petone. These institutions are open to the public at no charge, other than for special exhibitions.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 5 – Lifestyle “affordable access to community facilities that include arts, cultural and recreation options”.

**Distribution Of Benefits**

**s101(3)(a)(ii)**

*Whole Community*

Museums provide more obvious benefits to the whole community than is the case with libraries. Museums expenditure is generally independent of the number of people benefiting from the service making it non-rival. The benefits of the historical information database held at the Settlers Museum are more non-rival in that the private sector is unlikely to provide such a service.

The presence of existence benefits also appears to be more apparent than is the case with libraries. This is particularly strong with the Settlers Museum and the art collections associated with the heritage of the local area. Conversely, there are less apparent option benefits in that the public have shown more ambivalence toward the Dowse Museum. It should be noted, however, that prestige benefits are significant with the Dowse Museum. To many outside the city it is Hutt’s primary attraction and commands considerable respect as an arts institution.

*Identifiable Parts of the Community*

The Dowse Museum, and to a lesser extent the Settlers Museum, draw a large number of visitors to the city. Consequent expenditure by those visitors provides considerable benefit to the business community.

*Individuals*

The direct user benefits as an individual from the enjoyment and knowledge gained from visiting a museum. In addition, a number of people (many from outside the Hutt area) are using the service to obtain specific information relating to their history and as such are receiving a private benefit.

<b>Total benefit to the community as a whole:</b>	<b>20%</b>
<b>Total benefit to identifiable parts of the community:</b>	<b>30%</b>
<b>Total benefit to individuals:</b>	<b>50%</b>

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

The Distribution of Benefits assessment suggests that 20% of the museums activity should be funded from general rates, 30% from a targeted museums rate on the business community, and 50% from a source such as user charges.

Funding 50% of the activity cost from user charges would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed.

In terms of efficiency, however, funding 50% of this activity by user charges poses difficulties. Charging a small entry fee may dissuade some patrons, and the revenue would be offset by the costs of setting up and operating a door charge system. It is likely that the desired private funding target could not be reached, as the number of visits would decline as the price increases. Council views museums as an important part of the social infrastructure of the city. Council views free or nearly free access to the museums by all residents to be in the best interests of the city as a whole. Free or low cost access to all residents supports the Community Outcome of “affordable access to community facilities that include arts, cultural and recreational options”.

Efficiency considerations also argue against a targeted museums rate on the business community. Such a rate would have benefits for transparency of charging, but the fact



that museums is only one of the activities from which the business community as a group benefits would require each of the activities to have a targeted business rate. Council believes that it is more efficient to assess the overall benefit to businesses from Council activities and recover the costs through the use of a business differential within the general rate. As a result of this assessment costs allocated to the business community become part of the costs allocated to the community as a whole.

**Total costs allocated to the community as a whole:** 80%  
**Total costs allocated to individuals:** 20%

FINAL COST ALLOCATION PERCENTAGE	
<b>Private Funding</b>	
User Charges	5.0
Other Revenue	15.0
<b>Total Private Funding</b>	<b>20.0</b>
<b>Public Funding</b>	
General Rate	
Residential	51.5
Business	25.4
Utility	2.1
Rural	1.0
<b>Total Public Funding</b>	<b>80.0</b>
<b>TOTAL</b>	<b>100.0</b>

The business rating group has been allocated double its property value share on the basis of the benefit it receives from the large numbers of visitors attracted to the city by its museums. The balance of the public funding is based on property value proportions of the other rating groups.

### 3. AQUATICS AND RECREATION

#### Description

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.

#### Community Outcomes

##### s101(3)(a)(i)

This activity contributes primarily to Community Outcome 5 – Lifestyle “affordable access to community facilities that include arts, cultural and recreation options”.

#### Distribution of Benefits

##### s101(3)(a)(ii)

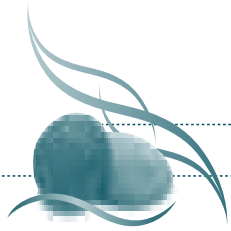
##### *Whole Community*

The activity is undertaken because there are insufficient incentives for private interests to provide swimming pools and recreation programmes in the number the community desires. Like libraries, swimming pools enjoy widespread and vociferous public support, implying significant option benefits. However, it is noted by the Hillary Commission that pools are largely patronised by middle and upper income groups.

Community benefits from recreational programmes come from meeting the specific recreational and life skill aspirations of Hutt City residents. It is widely accepted that increased recreational activity in a group situation delivers benefits to the community at large in the areas of health and crime prevention.

##### *Identifiable Parts of the Community*

There are no identifiable parts of the community that derive benefits distinct from the whole community benefits.



*Individuals*

Swimming pools provide a perfect environment in which to learn to swim. It should also be noted that many people swim for fitness and that this is in direct competition with private sector gyms and other recreational facilities.

The recreational programmes carried out in this activity have a set of obvious, direct, rival and excludable private benefits that go to those using the programmes. This is particularly true if the participants are not from a disadvantaged section of the community.

**Total benefit to the community as a whole: 40%**  
**Total benefit to individuals: 60%**

**Costs and Benefits of Distinct Funding**  
**s101(3)(a)(v)**

The Distribution of Benefits assessment suggests that 40% of the Aquatics and Recreational Programmes activity should be funded from general rates, and 60% from user charges.

It is estimated that the marginal cost of pool use is around 50c. The adult admission charge of \$2.50 to \$3.50, therefore, covers significant amounts of fixed costs, which make up the bulk of the costs of swimming pools. Council could take a purely revenue maximising approach to pool charges. This, however, needs to be balanced with social objectives such as not preventing low income families from using pools. Affordability for lower income groups is considered to be a sufficient reason to keep pool charges and recreation programmes below the full cost. Experience has shown that raising prices to levels that deter usage results in lower overall income. These detriments are seen as outweighing the benefits to transparency and accountability that would accrue from funding the activity as per the distribution of benefits.

**Total costs allocated to the community as a whole: 65%**  
**Total costs allocated to individuals: 35%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	30.0
Other Revenue	5.0
<b>Total Private Funding</b>	<b>35.0</b>
<b>Public Funding</b>	
General Rate	
Residential	51.6
Business	10.3
Utility	2.1
Rural	1.0
<b>Total Public Funding</b>	<b>65.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across the residential, business, utility and rural ratepayers is in direct proportion to each segment’s share of the total capital value of the city.

**4. PARKS AND RESERVES**

**Description**

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 returning areas to their natural state.

This activity also includes Council’s cemeteries.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 5 – Lifestyle “affordable access to community facilities that include arts, cultural and recreation options”.



## Distribution of Benefits

### s101(3)(a)(ii)

#### *Whole Community*

The activity is undertaken because the market does not provide such facilities at levels desired by the community. The major public good characteristic of passive recreation facilities such as parks, reserves and beaches is that they are non-rival. It is technically feasible to exclude people from their use, but it is likely that there would be a high cost to this. The costs of maintaining passive recreation facilities are generally the same regardless of the number of users. Accordingly, the benefit to the whole community for passive recreation facilities is assessed at 95%.

There is strong community support for sports fields, which suggests that, even while many people do not use the sports fields, they value the option to use them should they so wish. The community also recognises the public benefits obtained by children and young people through increased health and social skills. The benefit to the whole community for sports fields is assessed at 70%.

Cemeteries are not seen as providing any significant benefit to the community as a whole.

#### *Identifiable Parts of the Community*

There are no identifiable parts of the community that derive benefits from passive recreation facilities distinct from the whole community benefits.

The majority of the costs of sports fields arise out of having to maintain them to the standard required by whichever sports code is using the field. The codes represent identifiable groups within the community and the fields are both rival and excludable.

#### *Individuals*

On occasion a commercial operator will rent a reserve for an event or recreational business (such as the holiday park). In these cases the benefit characteristics of the property switch from whole community to individual benefit for the duration of the rental period. A market rent is charged to reflect this.

Cemetery plots are both rival and excludable. Benefits from the provision of cemeteries are assessed at 100% to individuals.

On the basis of this analysis the overall distribution of benefits for this activity is:

<b>Total benefit to the community as a whole:</b>	<b>80%</b>
<b>Total benefit to identifiable parts of the community:</b>	<b>15%</b>
<b>Total benefit to individuals:</b>	<b>5%</b>

## Period of Benefits

### s101(3)(a)(iii)

Capital costs of both passive recreation facilities and sports fields have generally been paid by developers, or the facility has been in public ownership for a long time. There is an ongoing opportunity cost of capital, which should be funded annually in the same way as interest on loans is funded for other asset rich activities. Where land is assessed as surplus to requirements Council should initiate the process to dispose of it.

For cemeteries Council maintains plots in-perpetuity. As the benefit assessment is 100% individual benefit, the fees charged for plots should include the maintenance and capital costs of providing the cemetery in-perpetuity.

## Exacerbator Pays

### s101(3)(a)(iv)

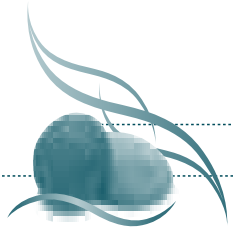
The actions of sports codes contribute significantly to the need for Council to undertake the maintenance of sports fields.

## Costs and Benefits of Distinct Funding

### s101(3)(a)(v)

The Distribution of Benefits assessment suggests that 80% of the Parks and Reserves activity should be funded from general rates, 18% from charges for the use of sports fields, and 2% from other user charges such as cemetery plot fees.

Council views the active participation of residents in outdoor activities as beneficial to the whole community. Affordability for sporting clubs is now a factor in limiting



participation. For these reasons Council has modified the private benefit of the sports fields activity down to approximately the current level of charges.

<b>Total costs allocated to the community as a whole:</b>	<b>90%</b>
<b>Total costs allocated to identifiable parts of the community:</b>	<b>5%</b>
<b>Total costs allocated to individuals:</b>	<b>5%</b>

<b>FINAL COST ALLOCATION PERCENTAGE</b>	
<b>Private Funding</b>	
User Charges	10.0
<b>Total Private Funding</b>	<b>10.0</b>
<b>Public Funding</b>	
General Rate	
Residential	71.3
Business	15.8
Utility	2.9
Rural	0.0
<b>Total Public Funding</b>	<b>90.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding between rating groups is based on property valuations reflecting a generally even spread of benefits across all ratepayers. The exception is the rural sector where property owners generally supply their own open space recreation areas. This proportion has been allocated to the business sector to recognise the intense use of gardens in the central area.

## 5. COMMUNITY SUPPORT

### Description

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 Services division or through private contracts.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 5 – Lifestyle “a city that is safe, friendly and welcoming, where people experience a sense of belonging”
- Outcome 5 – Lifestyle “affordable access to community facilities that include arts, cultural and recreation options”.

### Distribution of Benefits

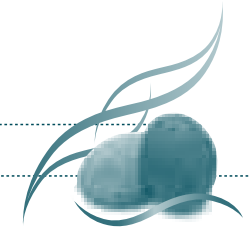
#### s101(3)(a)(ii)

##### *Whole Community*

Council’s Social Policy framework is a frame of reference for Council policies in general. On this basis the benefits can be said to accrue to the community in general. In addition, the costs are largely independent of the number of people who benefit. Benefits are also non-rival and non-excludable.

High levels of community support exist for devoting resources to the delivery of social policy, suggesting significant option values. In most cases the grants or community houses funded are acting as the coordinator between Council and the most disadvantaged groups of people. These funds are contestable to a large extent and





therefore open to anyone to apply to help achieve Council's objective to help those least able to help themselves.

It is considered, therefore, that the activity is defined as distributing grants on behalf of ratepayers in general. This point and the fact that the service is targeted at parts of the community that are unable to achieve their objectives without Council help, suggest a majority of public funding.

#### *Individuals and Identifiable Parts of the Community*

The delivery of Social Policy has a private benefit component reflecting the fact that the service is delivered to identifiable individuals and groups. The direct benefits of the activity are both rival, in that if one group receives it another cannot, and excludable, in that Council can withhold the service from beneficiaries if it chooses. Grants to community houses largely benefit the part of the city in which they are located. Community grants involve the transfer of funds from the general ratepayer to individuals or groups.

This activity includes discretionary rate remissions. These are largely of private benefit to clearly identifiable groups of people.

**Total benefit to the community as a whole: 80%**  
**Total benefit to individuals and identifiable parts of the community: 20%**

#### **Period of Benefits**

##### **s101(3)(a)(iii)**

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.

#### **Costs and Benefits of Distinct Funding**

##### **s101(3)(a)(v)**

The Distribution of Benefits assessment suggests that 80% of the Community Support activity should be funded from general rates, and 20% from user charges.

The benefits from transparency and accountability flowing from such a funding mix are more than offset by the social costs that would result. Council acts to help support the part of the community that can least afford to take care of itself. Council believes that providing some community support to those in need is in the interests of the whole community. Council is focused on providing some support for the community groups that help the community in this fashion.

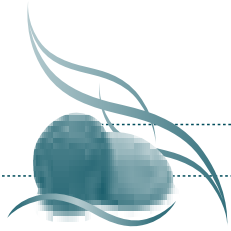
As part of this activity Council receives and distributes grants from other organisations, principally Central Government. For final cost allocation purposes these funds, and a small amount of user charges reflecting current practice, are deemed to equate to the private good element of this activity.

**Total costs allocated to the community as a whole: 92%**  
**Total costs allocated to individuals and identifiable parts of the community: 8%**

#### **FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	1.0
Other Revenue	7.0
<b>Total Private Funding</b>	<b>8.0</b>
<b>Public Funding</b>	
General Rate	
Residential	73.0
Business	14.6
Utility	2.9
Rural	1.5
<b>Total Public Funding</b>	<b>92.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.



## 6. COMMUNITY PROPERTY

### Description

Council manages a variety of properties for use by the community. These properties are mainly community and civic halls and venues, public toilets and community houses. Council’s ownership of most of these properties is largely historical. There is significant public preference for retaining Council ownership of the properties used by the community, and facilitating community events, meetings and gatherings. Public toilets are provided for community convenience and to safeguard public health. Progressive reviews of these facilities ensure they remain efficient and meet changing public requirements.

Council also provides and maintains a number of other properties, including housing units for elderly people, buildings used for Council’s administration and other miscellaneous properties.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 5 – Lifestyle “affordable access to community facilities that include arts, cultural and recreation options”
- Outcome 6 – Regional Foundations “everyone has a quality standard of affordable housing”.

### Distribution of Benefits

#### s101(3)(a)(ii)

This activity consists of community property and other property functions. These functions have distinct economic characteristics that are discussed separately below.

#### *Community Properties*

The provision of halls and venues (including community houses) is rival and excludable with many private sector substitutes being offered. Where suitable alternative structures are not available developers would provide them given an adequate rental. Public

benefits arguably exist in that some groups serving the community’s interest could not afford to pay the market price for hall rental and a subsidy provides net benefits to the public. There might also be benefits in having “neutral territory” on which some community groups can meet, and places where Council can hold public meetings.

Public toilet facilities have both public and private good characteristics. Public toilets are an activity intended to minimise the negative effects of individual actions. The fouling of public areas is seen as a public health issue and is difficult to prevent. Public toilets are seen as an effective alternative. It is acknowledged that to encourage greater use of public toilets, the standard would need to be improved. The community is currently asking Council to provide more public toilets. This fact points to a recognition that the community sees public benefits from providing clean public toilets for residents and visitors to the city.

Council provides a small number of public toilets in shopping areas and at parks and reserves. Toilets are provided by the private sector for use by the public in many areas such as shopping malls and fast-food outlets. The service is both rival and excludable, and the direct benefits are private in nature. In many countries this service is provided on a user pays basis.

<b>Total benefit to the community as a whole:</b>	<b>40%</b>
<b>Total benefit to individuals or identifiable parts of the community:</b>	<b>60%</b>

#### *Other Properties*

Housing is both a rival and an excludable activity. Council owns housing for the use of elderly people but is in direct competition with Central Government and private providers. While there is currently a community preference to maintain the housing assets the benefits of this are not quantifiable.

Other property is generally a private good with considerable private sector competition. Council has been selling some of this property, and this is expected to continue. Property used for Council’s activities should be fully cost recovered and those costs shown in the appropriate activity of Council.



**Total benefit to the community as a whole:** 5%  
**Total benefit to individuals or identifiable parts of the community:** 95%

**Period of Benefits**

**s101(3)(a)(iii)**

This activity involves the ownership and management of a large number of assets, and intergenerational issues apply.

Many of the community property structures have been provided to some extent by past generations of residents' fundraising activities helping to pay for the private benefits of the users. If the community wishes these facilities to be maintained, and to be replaced at the end of their useful lives, it is appropriate that each year's ratepayers make a capital cost contribution through depreciation charges.

**Exacerbator Pays**

**s101(3)(a)(iii)**

The provision of public toilets is seen as being an exacerbator pays issue, which would indicate the use of user charges to fund this part of the activity, but the public health issues arising from non-use indicate against such charges.

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(iv)**

Halls and venues provide community groups and individual residents with opportunities to carry out recreational, cultural and governance activities. Charging the full costs of running these community facilities would result in many of the community groups ceasing to operate with consequent negative impacts on the community at large. It is likely that the desired private funding target would not be reached, as the total revenue would actually decline as the price increases. The modification to the funding of this activity recognises that current charges are at a level that is at the upper limit of what the community is prepared to tolerate.

Charging for public toilets would defeat the purpose for which Council has provided them. For public health reasons toilets need to be freely available to ensure usage.

There is benefit in charging market rentals for housing units. Costs exclude the full cost of capital, and therefore make no allowance for the fact that Council could choose to sell these properties and retire debt. Market rentals more closely reflect the full cost to Council of providing the service.

**Total costs allocated to the community as a whole:** 39%  
**Total costs allocated to individuals or identifiable parts of the community:** 61%

**FINAL COST ALLOCATION PERCENTAGE**

**Private Funding**

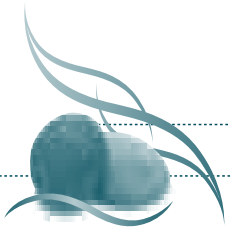
User Charges	61.0
<b>Total Private Funding</b>	<b>61.0</b>

**Public Funding**

General Rate	
Residential	31.0
Business	6.2
Utility	1.2
Rural	0.6
<b>Total Public Funding</b>	<b>39.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.

The final cost allocation assumes internal charges to other activities for properties used directly by Council are not included in the user charges percentage above. These internal charges are treated as a reduction in the costs allocated.



## 7. ROADING AND TRAFFIC

### Description

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.

### Community Outcomes

#### s101(3)(a)(i)

This activity primarily contributes to the following Community Outcomes:

- Outcome 1 – Community Prosperity “a local economy that is attractive to both businesses and residents”
- Outcome 2 – Connected “enhanced roading system”
- Outcome 6 – Regional Foundations “roading, water and waste (including recycling) work and are accessible to all”
- Outcome 7 – Sense of Place “a built environment that is attractive, safe and healthy”; and “a more attractive Hutt City”.

### Distribution of Benefits

#### s101(3)(a)(ii)

This significant activity comprises a set of functions including roading, street cleaning, traffic management, street lighting and parking. These activities have distinct economic characteristics, which are discussed separately below.

### Roading

The provision of roads is a legal requirement. The public nature of the road reserve and the absence of private markets result in Council's role as asset owner and funder.

Roading provides a strip of commonly owned land by which people and goods can move without having to enter into complex transactions with individual land owners. This common strip is generally non-rival and practically non-excludable and the benefits of it go to the community in general. This aspect of the road network has negligible operating costs associated with it. Its costs lie in the purchase price of the land and the opportunity cost of keeping the community's resources in that form (cost of capital).

Maintaining the road surface and structure, or “carriageway”, is where the bulk of the operating costs lie. Carriageway technology is provided almost exclusively for motorists. The benefits, therefore, are received by an identifiable group within the community.

The whole community does not benefit equally from this expenditure – the more you use the road, the more you benefit. Road surfaces are technically excludable through vehicle registration. In reality Council is unable to exclude any users by law (given a legal vehicle) and is unable in law to place a toll on the road. They are also rival in that they are worn out as each vehicle passes over them (exponentially according to the weight of the vehicle). They are also rival when congested, as every extra vehicle that goes on to the road imposes a cost on all the other vehicles present. In this sense the carriageway aspect is not a pure public good.

Footpaths, like carriageways, are designed for a certain transport mode – mainly pedestrians. Unlike the carriageway, however, they are not easily worn out through use, are more difficult to exclude from use and are rarely congested. For these reasons they more closely resemble public goods.

Prestige values are also present in that people express considerable concern to Council over the state of roads in their localities. People generally feel that untidy or damaged roads reflect poorly on the city as a whole.



Generally major arterial routes more than pay their own way in fuel tax and road user charges. At the other extreme cul de sacs will never do so. The roading system is a network, however, and such individual components can only crudely be treated in isolation. The best outcome would be to have all approved carriageway costs funded from road user sources rather than rates. However, road tolling is practicable in only limited circumstances and Hutt City Council already maximises its roading “subsidy” from Land Transport NZ. The level of rates funding must continue if Council is to maintain and improve its roading network. Applying the principles of the Act suggests that Council should seek the replacement of rates funding for approved carriageway expenditure with Land Transport NZ money.

A greater contribution from Land Transport NZ would also eliminate the need for any rates differentiation on the basis that commercial traffic accounts for approximately 50% of traffic counts around the city and a proportion greater than 50% by axle weight.

Roading provides a higher level of user benefit to urban residents and businesses because of higher surface, footpath and lighting standards. For these reasons allocation of a lower proportion of costs can be considered for rural ratepayers.

**Total benefit to the community as a whole: 35%**  
**Total benefit to individuals or identifiable parts of the community: 65%**

*Street Cleaning*

Street cleaning is necessary owing to natural and human factors. Leaves and dust are unavoidable consequences of weather. The litter component falls into the exacerbator principle.

Prestige values again are present in that people express considerable concern to Council over the amount of litter in their localities.

**Total benefit to the community as a whole: 80%**  
**Total benefit to individuals or identifiable parts of the community: 20%**

*Traffic Management*

In traffic management Land Transport NZ, Greater Wellington – The Regional Council and Land Transport Safety Authority subsidised works are regarded to be of private benefit to users of the road with the balance relating to cyclists and pedestrians throughout the whole city. Public benefits come from the safety aspect to the community in general. The Land Transport NZ subsidy meets the costs of the private benefits to, and negative effects caused by, vehicle users.

**Total benefit to the community as a whole: 60%**  
**Total benefit to individuals or identifiable parts of the community: 40%**

*Street Lighting*

Street lighting is provided to certain standards for traffic and pedestrian safety in a way that is both non-rival and non-excludable. Also the cost of providing the service is largely independent of the number of users once certain levels are reached.

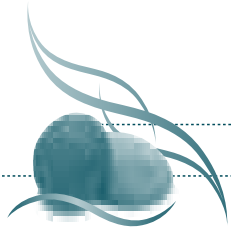
There are private benefits obtained from the service though, and the major beneficiaries are the motorists. Motorists are an identifiable group of beneficiaries best recognised and dealt with through the Land Transport NZ subsidy. This subsidy is currently at around 45% and this should be used as a proxy for private benefit.

**Total benefit to the community as a whole: 55%**  
**Total benefit to individuals or identifiable parts of the community: 45%**

*Parking*

The legal status and public nature of the road reserve requires that Council own the parking asset. Council is responsible for regulation and enforcement owing to its legal ability to ration carparks through by-laws.

Parking fees are seen as a short term rental on a plot of land that has an excess demand for its use, and are therefore a private good, as parking spaces are both rival and excludable. Parking fees are a rationing mechanism for a scarce resource. Parking fines are a mechanism to force the user to vacate the park and allow another user the



opportunity to rent the space. Free alternatives are available as private landowners offer free rentals to entice customers into their properties. In areas where supply exceeds demand no rationing mechanism is needed and parks are free.

The private funding of 150% includes an allocation of 50% to provide for a return on the cost of capital including new meters.

<b>Total benefit to the community as a whole:</b>	<b>-50%</b>
<b>Total benefit to individuals or identifiable parts of the community:</b>	<b>150%</b>

**Exacerbator Pays**

**s101(3)(a)(iv)**

Road and parking congestion has exacerbator pays considerations that point towards use of user charges to ensure effective use of the resource.

The litter component of street cleaning falls into the exacerbator principle. It is not possible to identify the exacerbator in most cases, however, and even large penalties would not generate enough net revenue to fund street cleaning, even while reducing the need for it.

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

*Roading*

The Land Transport NZ portion of funding covers the private good element of roading.

Roading costs make up the majority of this activity and vehicle weights are the major factor in creating damage. The majority of the costs of roading are therefore caused by heavy vehicle movements, which are generated by businesses. This is recognised in the road user charges system run by Central Government.

Under the Local Government (Rating) Act 2002 Council has no ability to directly impose charges on road users. All road reserves are free to access for all vehicles. A separate Act of Parliament is needed to collect tolls on a specific road. The level of user charges is therefore set at the level of subsidy received from Land Transport NZ. This situation could change in the medium term with the Government now reviewing transport legislation.

*Street Cleaning*

There is an issue of whether the cost of street cleaning in commercial areas should be significantly borne by the business community. This is probably more fair and efficient than charging the community at large. Not all people use the commercial areas equally and where the cost is placed on the business owners it:

- Provides incentives for businesses to reduce packaging
- Offers the opportunity for business owners to pass on the cost to those who actually use the shopping areas
- Gives businesses the incentive to seek from Council the level of service they require.

*Traffic Management*

Council recognises that the operating subsidies do not cover the private benefits of pedestrian areas and cyclists. In order to promote alternatives to the use of car-based trips this benefit is seen to be one that should be paid for by the public in general.

*Street Lighting*

Street lighting is a relatively pure public good that is most appropriately funded from general rates.

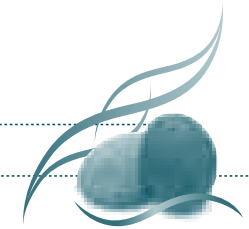
*Roading Excluding Parking*

<b>Total costs allocated to the community as a whole:</b>	<b>78%</b>
<b>Total costs allocated to individuals or identifiable parts of the community:</b>	<b>22%</b>

*Parking*

The target has been modified to reflect the current level of charges. Income from this activity is applied to general roading and traffic expenditure.

<b>Total costs allocated to the community as a whole:</b>	<b>-58%</b>
<b>Total costs allocated to individuals or identifiable parts of the community:</b>	<b>158%</b>



#### FINAL COST ALLOCATION PERCENTAGE

##### Private Funding

User Charges	15.0
Operating Subsidies	15.0
<b>Total Private Funding</b>	<b>30.0</b>

##### Public Funding

General Rate	
Residential	17.3
Business	43.7
Utility	8.8
Rural	0.2
<b>Total Public Funding</b>	<b>70.0</b>
<b>TOTAL</b>	<b>100.0</b>

In recognition of the fact that businesses give rise to the majority of the costs of maintaining the roading network, 75% of public funding requirements have been allocated to businesses, including utility networks. The remaining public funding has been allocated between residential and to a lesser extent rural ratepayers for reasons discussed in the benefits section above, in direct proportion to each segment's share of the total capital value of the city.

## 8. WATER

### Description

This activity involves the supply of high quality drinkable water for domestic and commercial use. Council purchases bulk water from Greater Wellington – The 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.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 1 – Community Prosperity “a local economy that is attractive to both business and residents”
- Outcome 4 – Healthy Environment “clean air, water and land”.

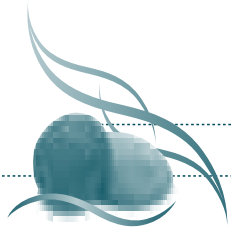
### Distribution of Benefits

#### s101(3)(a)(ii)

The public health benefits lie in the treatment of the water and in having a sealed reticulation system made from safe materials. The treated water is both excludable and rival.

Third party benefits are considered to exist in the avoidance of infectious waterborne diseases. The expenditure on the public health component is costs associated with treatment and the marginal cost of “healthy” pipe technology eg, the extra expense of having non-asbestos pipes. The costs of using healthy pipe technology, as well as the cost of hygienic headworks (source of water), are significant.

Fire-fighting capacity is available to all within the reticulated area. Once the capacity is provided newcomers can be accommodated at negligible extra cost. In this sense it is non-rival. It is also neither practicable nor desirable to exclude people from this benefit.



Fire-fighting capacity, therefore, is a public good component. While significant, this forms a relatively minor part of the overall costs of this activity.

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. The user charges account for around 20% of the total operating cost of the activity and are 100% private benefit funded.

There is unaccounted water use equivalent to around 20% of total water use. This includes fire-fighting, flushing (cleaning) of the system and cleaning out reservoirs. Leakage from the system accounts for 10-15% of total water use. This leakage results from breaks and leaks throughout the network and cannot be attributed to any specific users. The cost of this leakage is spread evenly across all users.

**Total benefit to individuals or identifiable parts of the community: 100%**

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

Ensuring consumers see the true costs of their consumption assists the efficient allocation of water. A general rate would not achieve this aim. Water metering would be effective, but the costs of meter installation and reading are high. A targeted rate for water is seen as a cost-effective means of providing transparency of the true cost of supply.

**Total costs allocated to individuals or identifiable parts of the community: 100%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	18.0
Targeted Rate	82.0
Total Private Funding	100.0
<b>Total Public Funding</b>	<b>0.0</b>
<b>TOTAL</b>	<b>100.0</b>

**9. WASTEWATER**

**Description**

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.

**Community Outcomes**

**s101(3)(a)(i)**

This activity primarily contributes to the following Community Outcomes:

- Outcome 1 – Community Prosperity “a local economy that is attractive to both businesses and residents”
- Outcome 4 – Healthy Environment “clean air, water and land”
- Outcome 6 – Regional Foundations “roading, water and waste (including recycling) work and are accessible by all”.

Through treating and disposing of wastewater Council is protecting both the physical environment and the health of the community. There is also a legal requirement for Council to retain control of these assets.

**Distribution of Benefits**

**s101(3)(a)(ii)**

Public goods are generally those that the market will not supply in sufficient quantities. Wastewater, like any other form of pollution, is something we want less of. The private sector would be more than happy to supply wastewater infrastructure so any market failure lies in its monopoly characteristics. Users of wastewater services can be identified and charged and therefore the activity delivers significant private benefits.

There are also some public good characteristics in wastewater. These exist in the benefits to the community from maintaining public health (as opposed to the benefits of being healthy to an individual) and environmental protection. These benefits are in the area of public health infrastructure.





Current funding is consistent with a high, or total, private benefit component, if the targeted rate is treated as a proxy for user charges. User charges are possible via either metering wastewater, or more simply by charging for wastewater on the basis of volume of water supplied.

Commercial users of the wastewater system meet the full costs associated with the treatment and disposal of the waste they generate in the new Wastewater Treatment Plant via a trade waste charging system introduced in 2002. Charges are based on the strength of the waste as well as the volume. This has the effect of shifting part of the funding from targeted rates to direct user charges. It has no impact on the private/public benefit split as targeted rates are treated as a proxy charge for user pays.

The rural sector is generally not a user of this activity. The significant use of user charges or targeted rates ensures that payments are sought only where the service is provided.

**Total benefit to individuals or identifiable parts of the community: 100%**

**Exacerbator Pays**

**s101(3)(a)(iv)**

The majority of wastewater is not a public good at all, but rather an exacerbator issue, where the polluter should pay. This indicates funding via a high proportion of direct user charges to encourage waste reduction by those parties creating the pollution.

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

Funding by user charges has the benefit of ensuring that polluters face the true costs of their activity and encourages waste reduction. User charges can, however, present ability to pay problems for residents with limited means and in extreme cases of hardship present public health risks if user charges result in disconnection.

**Total costs allocated to individuals or identifiable parts of the community: 100%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	4.0
Operating Subsidies	14.0
Targeted Rate	82.0
Total Private Funding	100.0
<b>Total Public Funding</b>	<b>0.0</b>
<b>TOTAL</b>	<b>100.0</b>

**10. STORMWATER**

**Description**

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.

**Community Outcomes**

**s101(3)(a)(i)**

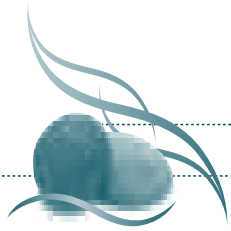
This activity primarily contributes to the following Community Outcomes:

- Outcome 1 – Community Prosperity “a local economy that is attractive to both businesses and residents”
- Outcome 4 – Healthy Environment “clean air, water and land”
- Outcome 6 – Regional Foundations “roading, water and waste (including recycling) work are accessible by all”.

**Distribution of Benefits**

**s101(3)(a)(ii)**

Stormwater reticulation, watercourses, major storm events and watercourse quality management, addressed under this heading, 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. These attributes are generally non-excludable and non-rival. Private benefit exists, however, in that buildings and pavements increase the need for the expenditure. Economies of scale associated with the provision of an overall system are also recognised.

The system’s benefits are to the community in general and the costs are not driven by individuals.

**Total benefit to the community as a whole:** 80%  
**Total benefit to individuals or identifiable parts of the community:** 20%

**Exacerbator Pays**

**s101(3)(a)(iv)**

Buildings and pavements increase the need for expenditure and in this respect the exacerbator should pay. Stormwater impacts are created largely by run-off from impervious surfaces. The normal business sector property has more than double the impervious surfaces of the average residential property, and the average rural property has significantly less. The severity of negative impacts generated, in ranked order from highest to lowest by property type, is therefore business, residential then rural.

This would support a degree of distinct or differential funding from each sector.

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

Council has decided that the stormwater system is a network type asset that is far more efficient to be operated on a city-wide basis to deliver economies of scale. It is not acceptable to have individual properties opting out of the system by refusing to pay for it. For these reasons Council has modified the allocation of costs to 100% public.

**Total costs allocated to the community as a whole:** 100%

**FINAL COST ALLOCATION PERCENTAGE**

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	57.5
Business	39.8
Utility	2.3
Rural	0.4
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

To reflect the exacerbator pays issues discussed above, the business sector has been allocated 2.5 times, and the rural sector approximately one quarter, of their respective capital value proportion of costs. The allocation of the remainder of the public funding across the residential and utility ratepayers is in direct proportion to each segment’s share of the total capital value of the city.

**11. SOLID WASTE**

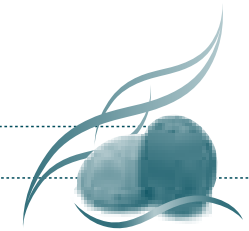
**Description**

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 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 Council-controlled service but as yet no private sector operators have put forward acceptable proposals for significant non-Council landfills.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 4 – Healthy Environment “clean air, water and land”.



## Distribution of Benefits

### s101(3)(a)(ii)

#### *Whole Community*

By offering a kerbside recycling service Council is attempting to promote good environmental behaviour in encouraging the community to minimise waste. The value of the recycled material is less than its collection and processing costs. Where this is the case the activity requires some form of public intervention to ensure it will happen. While the costs of recycling are high, the community benefits from a reduction in the waste stream to the landfill that will result in lower capital costs over the long term. Given the very strong support for this activity the community also benefits from the knowledge that it is making an effort to reduce waste.

#### *Identifiable Parts of the Community*

There are no identifiable parts of the community that derive benefits from the Solid Waste activity distinct from the whole community benefits.

#### *Individuals*

The activity of refuse collection is excludable and rival. There is a number of private companies offering rubbish collection services.

Substantial private benefits are also provided by the recycling service. Most of the recyclables would have to be disposed of through the fully user pays refuse collection service. This results in a substantial saving over time.

Waste from the refuse collection services, both public and private, is dumped at one of two landfills. The landfills also accept industrial waste and general fill. The activity is rival and excludable with both private and public sector competition in the region. Part of the benefit is the control, or minimisation, of the negative effects of individual actions, as opposed to the maximisation of a public good. In addition, there is a user pays element for the landfill services as the benefits are directly received by the property owner or resident that is disposing of the waste.

**Total benefit to the community as a whole:**

5%

**Total benefit to identifiable parts of the community:**

0%

**Total benefit to individuals:**

95%

## Period of Benefits

### s101(3)(a)(iii)

Landfills are unlike other assets. While they too have a finite useful life, the end of that life sees costs incurred not only to develop further landfill sites, but also for the after-care maintenance necessary when the existing landfill is closed. Total user charges include funding for forecast after-care costs.

## Exacerbator Pays

### s101(3)(a)(iv)

Public health benefits of this activity only arise owing to the necessity to minimise, or correct, the negative effects of individual actions. The issue is therefore an exacerbator issue.

## Costs and Benefits of Distinct Funding

### s101(3)(a)(v)

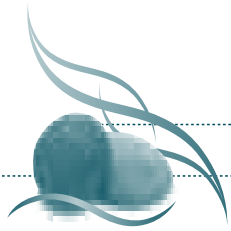
The Distribution of Benefits assessment suggests that 5% of the Solid Waste activity should be funded from general rates, and 95% from user charges.

User charges are a transparent mechanism for allowing users to assess the value of the service they receive. The fact that people can opt to use private sector refuse collection services rather than Council services provides accountability – Council must deliver value for money.

The level of user charges must be set with reference to the charges in force at other landfills in the region. If Council's charges are too far below the level charged elsewhere, it may become economic for commercial landfill users to travel into the city to use Council's landfills. This would significantly reduce the useful life of the current landfill sites.

At present, user charges need to be set well above the level needed to cover costs.

The surplus will be used to reduce the general rate requirement.



**Total costs allocated to the community as a whole:**

**-40%**

**Total costs allocated to individuals:**

**140%**

**FINAL COST ALLOCATION PERCENTAGE**

**Private Funding**

User Charges	140.0
<b>Total Private Funding</b>	<b>140.0</b>

**Public Funding**

General Rate	
Residential	-(31.7)
Business	-(6.4)
Utility	-(1.3)
Rural	-(0.6)
<b>Total Public Funding</b>	<b>-40.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across the residential, business, utility and rural ratepayers is in direct proportion to each segment’s share of the total capital value of the city.

**12. ENVIRONMENTAL MANAGEMENT**

**Description**

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. 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.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to the following Community Outcomes:

- Outcome 4 – Healthy Environment “continued protection and conservation of our environment”
- Outcome 5 – Quality Lifestyle “a city that is safe, friendly and welcoming, where people experience a sense of belonging” and “a diverse natural environment that is accessible, enjoyable and safe”
- Outcome 7 – Sense of Place “a built environment that is attractive, safe and healthy”.

**Distribution of Benefits**

**s101(3)(a)(ii)**

This activity consists of environmental policy, environmental approvals, environmental inspection and enforcement, and animal control functions. These functions have distinct economic characteristics that are discussed separately below.

*Environmental Policy*

Council has a legal requirement to produce a District Plan. District planning has a mixture of private and public benefits, as well as encouraging optimal resource use over time. A District Plan exists to achieve sustainable management of natural and physical resources. The 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. These benefits are non-rival and non-excludable.

The Plan also exists to control the negative effects of resource use. This is an exacerbation issue, and while the benefits accrue to the wider public, this is treated as the minimisation of a negative effect, and therefore a private good.



**Total benefit to the community as a whole:** 60%  
**Total benefit to individuals or identifiable parts of the community:** 40%

*Environmental Approvals*

The environmental approvals activity is undertaken to ensure that public welfare is not jeopardised by the actions of individuals or groups now or in the future. A significant percentage of costs, however, arise in answering general public enquiries on environmental, building and development issues. It is not possible to determine the costs and quote for this information before the enquiry is dealt with. This is also considered to be public information available to all and part of the customer service of Council.

**Total benefit to the community as a whole:** 40%  
**Total benefit to individuals or identifiable parts of the community:** 60%

*Environmental Inspections and Enforcement*

The environmental inspections and enforcement activity ensures that the policies and regulations of Council are being complied with. The service acts to control the negative effects of non-compliance by individuals or groups, nearly all of which are businesses. There is also a general public benefit in the assurance of a safe environment. The provision of an inspection service would be needed even if there were total compliance, so the public good principle also applies.

**Total benefit to the community as a whole:** 20%  
**Total benefit to individuals or identifiable parts of the community:** 80%

*Animal Control*

Animal control is primarily the dog control function with a small amount of service involved with general livestock control. The activity exists to control the negative effects associated with dog and stock ownership. While there is a public benefit in having unsafe and noisy dogs controlled the costs of attaining this are the result of individual actions and decisions. Council is increasing activity in patrolling for problem dogs. In some cases it is impossible to identify the owners (if there are any) of these dogs. Similarly, it is often

difficult to identify the owners of wandering stock. In these cases the costs are a public good owing to the inability to identify the beneficiary.

**Total benefit to the community as a whole:** 20%  
**Total benefit to individuals or identifiable parts of the community:** 80%

**Period of Benefits**

**s101(3)(a)(iii)**

An intergenerational effect occurs in that the District Plan remains in force long after it is written.

**Exacerbator Pays**

**s101(3)(a)(iv)**

The inspections and enforcement function is heavily impacted by individual actions or inaction, and this is recognised in the Distribution of Benefits.

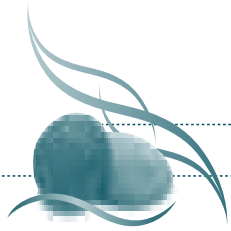
Animal control is almost entirely an exacerbator pays issue. Difficulties in identifying owners of problem dogs or stock, however, make it impossible to recoup costs from those owners. It would be unfair to continue charging the identifiable exacerbators who register their dogs for the increasing costs generated by those who do not register.

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

Council has modified the private benefit of this activity to match the existing level of user charges of 53%. Current charges for building permits are already considered to be at the top end of what the customer should reasonably expect to pay. Higher charges will restrict development activity and also lead to a higher level of avoidance. This modification also recognises that some of the services in this activity have fees set by law that do not cover the full costs of providing them.

Dog registration fees are also perceived as being at the top end of the range. In Council's experience, increases in fees have led to lower numbers of registrations. This means that the number of unregistered dogs continues to increase, and fewer "good" owners are paying for more "bad" owners.



The extent to which the business community generates costs and receives benefits in this activity, particularly in relation to environmental approvals and inspections and enforcement, would indicate the use of a targeted rate to cover these costs. On efficiency grounds Council will instead recover these costs through the business differential on the general rate. As a result, costs allocated to the business community become part of the costs allocated to the community as a whole.

**Total costs allocated to the community as a whole: 80%**  
**Total costs allocated to individuals and identifiable parts of the community: 20%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	53.0
<b>Total Private Funding</b>	<b>53.0</b>
<b>Public Funding</b>	
General Rate	
Residential	6.6
Business	40.0
Utility	0.3
Rural	0.1
<b>Total Public Funding</b>	<b>47.0</b>
<b>TOTAL</b>	<b>100.0</b>

The business rating group has been allocated 40% of the cost of this activity on the basis that it is the principal generator of applications for environmental approvals, and the major beneficiary of the inspections and enforcement function. The balance of the public funding is based on property value proportions of the other rating groups.

**13. EMERGENCY MANAGEMENT**

**Description**

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.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 5 – Lifestyle “a city that is safe, friendly and welcoming, where people experience a sense of belonging”.

**Distribution of Benefits**

**s101(3)(a)(ii)**

Emergency management is both non-rival and non-excludable. The costs are usually created by natural disasters and are imposed on the community in a random manner. The activity also has regional and national benefits, in that resources are shared in emergencies with effects beyond the local boundaries. The costs associated with the capital equipment and actual emergency expenditure needed to respond to an emergency have an element of intergenerational equity associated with them. It is impossible to predict when an event will occur and preparations will last over a number of years.

Rural Fire applies largely to Council-owned land and therefore any benefits apply to the community.

**Total benefit to the community as a whole: 100%**

**Exacerbator Pays**

**s101(3)(a)(iv)**

Rural Fire deals with the consequences of the actions of exacerbators. Exacerbators, where they are identifiable, are dealt with through the Courts and any compensation is obtained in that manner.



### Costs and Benefits of Distinct Funding

#### s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. This has been modified to reflect the current subsidy from Central Government that helps Council operate within a New Zealand-wide network, although this subsidy is actually sourced from public funds as well. While the policy expects 7% of costs to be met by this subsidy, the actual amount paid in any given year is determined by the costs of fighting rural fires during that year. Therefore, in years when there are more fires than usual the subsidy will be higher.

<b>Total costs allocated to the community as a whole:</b>	<b>93%</b>
<b>Total costs allocated to individuals or identifiable parts of the community:</b>	<b>7%</b>

#### FINAL COST ALLOCATION PERCENTAGE

##### Private Funding

Operating Subsidies	7.0
<b>Total Private Funding</b>	<b>7.0</b>

##### Public Funding

General Rate	
Residential	73.7
Business	14.8
Utility	3.0
Rural	1.5
<b>Total Public Funding</b>	<b>93.0</b>
<b>TOTAL</b>	<b>100.0</b>

The allocation of public funding across residential, business, utility and rural ratepayers is in direct proportion to each segment's share of the total capital value of the city.

## 14. LOCAL URBAN DESIGN

### Description

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.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes primarily to the following Community Outcomes:

- Outcome 7 – Sense of Place “a built environment that is attractive, safe and healthy”.

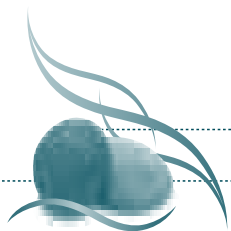
### Distribution of Benefits

#### s101(3)(a)(ii)

Council aims to carry out improvements to the public areas to improve the amenity value of the city. Projects in this activity are for the benefit of the whole community and improvements are made only to public land, therefore the benefits apply to the community in general. The benefits of the activity are non-excludable and generally non-rival. In this aspect the applicable principle is public good.

There are, however, parts of this activity that result in an immediate private benefit being obtained. The suburban shopping centres, CBD development, anti-graffiti, Safer City, signage and environmental safety projects aim to upgrade the image of shopping areas. This work increases the trade and therefore the value of the businesses in that area, making them an identifiable part of the community receiving benefits.

Heritage expenditure has an intergenerational aspect as any expenditure is intended for the benefit of future generations. Any cultural, heritage and aesthetic benefits are both non-rival and non-excludable and the activity is one of the purer public goods



Council provides. The existence of private benefits is doubtful. Council's objective is to ensure such sites and buildings are preserved, through contributing to activities such as earthquake strengthening, as private owners have insufficient incentives to do so.

Ideally Council's contribution would be just sufficient to ensure preservation and no more. In this way Council is purchasing the public benefit, while the owners invest up to the level of their own private benefit.

**Total benefit to the community as a whole:** 15%  
**Total benefit to individuals or identifiable parts of the community:** 85%

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

Council has a strategic goal of developing an urban environment that will help to attract people and investment. Council is currently implementing projects to achieve this goal and believes that part-charging the adjoining property owner for design enhancements will result in the projects not proceeding in a co-ordinated manner. It is felt that while some benefit will be obtained by neighbouring properties the whole community will also benefit.

**Total costs allocated to the community as a whole:** 100%

**FINAL COST ALLOCATION PERCENTAGE**

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	9.4
Business	90.0
Utility	0.4
Rural	0.2
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The business community gains the primary benefits of this activity as the work is generally carried out in business areas.

**15. ECONOMIC DEVELOPMENT**

**Description**

Council has a leading role in fostering the city's growth in a number of ways.

These are through creating a business-friendly environment, facilitating the expansion and creation of local businesses and employment, increasing tourism to the city and contributing to regional growth through regional economic development initiatives. Individual businesses generally have insufficient incentives to explore opportunities that benefit the city as a whole as well as themselves. The city's businesses and residents benefit from Council's support of the business sector and from the promotion of the city as a place to visit.

**Community Outcomes**

**s101(3)(a)(i)**

This activity contributes primarily to Community Outcome 1 – Prosperous Community “a local economy that is attractive to both businesses and residents”.

**Distribution of Benefits**

**s101(3)(a)(ii)**

*Whole Community*

The general economic development function of Council aims to increase jobs and wealth for the benefit of the whole city. These projects are targeted at regional co-operation and growth industries. Over time the economic growth of the city does not benefit any one group in the community. The direct benefits, however, are firstly to businesses rather than to salary and wage earners.

Council also aims to carry out improvements to the public space in business areas, as requested and partly funded by the business community, specifically to improve economic activity. CBD and Jackson Street projects in this activity have a direct benefit to the businesses in those areas, but there are also indirect benefits to the whole community. Improvements are generally made only to public land, therefore substantial benefits apply to the community in general.





The business sector, and the whole community indirectly, also receive benefits from events funding which make visiting the city centre a more attractive experience.

Council also produces promotional material and operates a visitor information service. The majority of the effort in this activity is to develop and disseminate information for visitors and prospective investors and to hone Council’s policies into an investment-friendly form. These activities are generally non-excludable and non-rival and exist for the betterment of the city as a whole. While the service is open to all businesses and the employment benefits flow through to the whole community, the direct benefits are firstly to businesses rather than to salary and wage earners.

*Individuals and Identifiable Parts of the Community*

As noted above the direct benefits of economic development flow firstly to businesses rather than salary and wage earners. Central city programmes also provide benefits to the businesses in the area. The users of the visitor information service and the businesses promoted in it gain private benefits.

Council’s role in this activity is purely as a tax collector. By using its tax collecting powers Council prevents individual businesses in the CBD from refusing to contribute to the scheme while still receiving its benefits. The policy thus prevents what is known as “free-riding”. The potential for free-riding infers that the programmes are at least non-excludable within their boundaries. This activity has direct benefits, diminishing the further you are from the area concerned.

**Total benefit to the community as a whole:** 0%  
**Total benefit to individuals or identifiable parts of the community:** 100%

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

For a large part of this activity Council is acting as a tax collector on behalf of the business community.

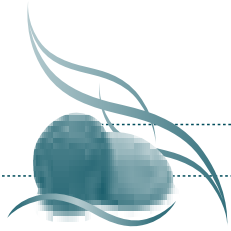
The Distribution of Benefits assessment suggests that 100% of the activity should be funded from a targeted rate on the business community,

Targeted funding of the activity would have benefits in terms of the transparency of cost allocation and charging. It would also increase accountability by relating the service received to the charge imposed. However, Council believes that it is more efficient to assess the overall benefit to businesses from Council activities and recover the costs through the use of a business differential within the general rate. As a result of this assessment costs allocated to the business community become part of the costs allocated to the community as a whole.

**Total costs allocated to the community as a whole:** 100%

FINAL COST ALLOCATION PERCENTAGE	
<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Business	91.6
Utility	8.4
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding has been assessed at 100% business as the business community gains the primary benefits in general. Utility companies have been grouped with businesses on this occasion, as utility owners will generally also benefit from increased economic activity.



## 16. ELECTED MEMBERS

### Description

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 Ward Committees are part of Council and provide local input into governance issues. Council is required by law to have elected members.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes to all Community Outcomes in that the elected members of Council are responsible for defining those outcomes and deciding how they are to be achieved.

### Distribution of Benefits

#### s101(3)(a)(ii)

##### *Whole Community*

The benefits of this activity are both non-excludable and non-rival. Councillors and members and the direct costs involved in supporting their operation are a legal requirement. The benefits from community representation are largely independent of the number of residents and are spread across the entire community.

##### *Individuals and Identifiable Parts of the Community*

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

**Total benefit to the community as a whole: 100%**

### Costs and Benefits of Distinct Funding

#### s101(3)(a)(v)

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. The most efficient way to fund this benefit pattern is through general rates.

**Total costs allocated to the community as a whole: 100%**

## FINAL COST ALLOCATION PERCENTAGE

<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	79.3
Business	15.9
Utility	3.2
Rural	1.6
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding between rating groups is based on property valuations reflecting an even spread of benefits across all ratepayers.

## 17. ADVICE AND SUPPORT

### Description

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 Ward Committees to make informed decisions on behalf of the community.

### Community Outcomes

#### s101(3)(a)(i)

This activity contributes to all Community Outcomes.



**Distribution of Benefits**

**s101(3)(a)(ii)**

*Whole Community*

The benefits of this activity are both non-excludable and non-rival. Advice and support services are essential to allow the elected members to set policy and manage resource allocation. The benefits from this are largely independent of the number of residents and are spread across the entire community.

*Individuals and Identifiable Parts of the Community*

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

**Total benefit to the community as a whole: 100%**

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. The most efficient way to fund this benefit pattern is through general rates.

**Total costs allocated to the community as a whole: 100%**

FINAL COST ALLOCATION PERCENTAGE	
<b>Total Private Funding</b>	<b>0.0</b>
<b>Public Funding</b>	
General Rate	
Residential	79.3
Business	15.9
Utility	3.2
Rural	1.6
<b>Total Public Funding</b>	<b>100.0</b>
<b>TOTAL</b>	<b>100.0</b>

The distribution of public funding between rating groups is based on property valuations reflecting an even spread of benefits across all ratepayers.

**18. MANAGING SERVICES**

**Description**

This activity incorporates the organisational support functions that help Council to provide its other activities in the most efficient and effective manner. It includes:

- Customer Relations
- Finance
- General Administration
- Human Resources
- Information Management
- Office of the Chief Executive (including Legal Counsel and Communications)
- Strategic Development.

**Community Outcomes**

**s101(3)(a)(i)**

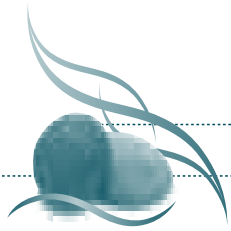
This activity contributes to all Community Outcomes by supporting all of Council's other activities.

**Distribution of Benefits**

**s101(3)(a)(ii)**

*Whole Community*

The benefits of this activity are both non-excludable and non-rival. Advice and support services are essential to allow the elected members to set policy and manage resource allocation. The benefits from this are largely independent of the number of residents and are spread across the entire community.



*Individuals and Identifiable Parts of the Community*

No benefits are seen to flow to individuals or parts of the community other than those that flow to the community as a whole.

**Total benefit to the community as a whole: 100%**

**Costs and Benefits of Distinct Funding**

**s101(3)(a)(v)**

The Distribution of Benefits analysis for this activity indicates that all benefits flow to the community as a whole. However, the costs of the activity are most appropriately funded by allocating the costs across all of Council’s other significant activities. Council achieves this through an overhead allocation process whereby the costs are attributed to each significant activity based on selected cost drivers and related activity or usage information. Interest costs are allocated to each activity in proportion to the net book value of fixed assets used by the activity.

As a result of this overhead allocation process, no public funding is required for this activity.

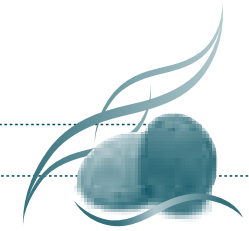
The costs of this activity are partially offset by miscellaneous revenues prior to being allocated across other significant activities. These revenues include such things as penalties for late payment of rates, interest and dividends from investments, and commissions for the provision of services to entities other than Council. Forecast revenues are reflected as private funding percentages in the table below.

**Total costs allocated to individuals or identifiable parts of the community: 100%**

**FINAL COST ALLOCATION PERCENTAGE**

<b>Private Funding</b>	
User Charges	65.0
Operating Subsidies	5.0
Interest Income	5.0
Other Revenue	35.0
Transfers to Reserves	(10.0)
<b>Total Private Funding</b>	<b>100.0</b>
<b>Total Public Funding</b>	<b>0.0</b>
<b>TOTAL</b>	<b>100.0</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.

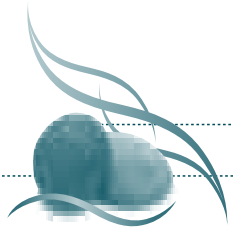
### SUMMARY OF FUNDING MECHANISMS AND INDICATION OF LEVEL OF FUNDS TO BE PRODUCED BY EACH MECHANISM

The table on the following page sets out the revenue and financing mechanisms planned to be used for each of the next 10 years, and indicates the proportion of 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 2006/2007 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.

Council proposes to 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 (ie, 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.

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.

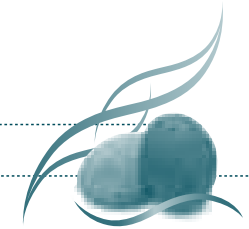
Provided that:

- 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) Jackson Street Programme Rate

A separate targeted rate, based on the capital value of each rating unit, will be set to raise revenue of \$90,000 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.





#### D) 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. It is estimated that in the 2006/2007 year the amount to be recovered will be \$6,000 from rating units in the Waiwhetu catchment area. In future years further upgrading work of this nature will be undertaken and the costs may be recovered in the same way.

#### E) General Rate

A general rate will be set:

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

Council proposes to set a Uniform Annual General Charge (UAGC). The UAGC is calculated as one fixed amount per separately used or inhabited portion of a rating unit.

#### DIFFERENTIAL RATING DETAILS

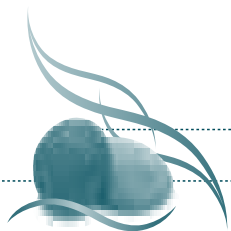
Each rating unit is allocated to a differential rating category (based on land use) for the purpose of calculating the general rate, or any specified targeted rate based on capital value.

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 2006/2007 rating year only the general rate has been set using these differential categories and relationships.

#### Definition of Rating Categories

Category	Description
<b>Residential (RE)</b>	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>
<b>Rural (RU)</b>	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>
<b>Business Accommodation (BA)</b>	All rating units in any part of the city, other than the area (BA) which was formerly the district of the former Eastbourne Borough, which are used primarily for commercial accommodation.
<b>Business Central (BC)</b>	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> <li>• Business Queensgate.</li> </ul>

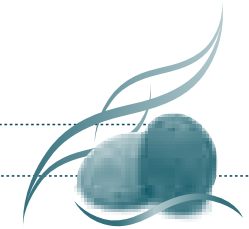


Category	Description
<b>Business Queensgate (BQ)</b>	All rating units which are located in the area bounded by Queens Drive, Waterloo Road, Bloomfield Terrace, Knights Road and Bunny Street and which form part of the Queensgate Mall, and which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as either: <ul style="list-style-type: none"> <li>• Community Facilities</li> <li>• Utility Networks.</li> </ul>
<b>Business Eastbourne (BE)</b>	All rating units in the area of the city which was the district of the former Eastbourne Borough, which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as either: <ul style="list-style-type: none"> <li>• Community Facilities</li> <li>• Utility Networks.</li> </ul>
<b>Business Suburban (BS)</b>	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>• Business Eastbourne</li> <li>• Utility Networks</li> <li>• Business Accommodation</li> <li>• Business Queensgate.</li> </ul>
<b>Utility Networks (UN)</b>	All rating units which comprise all or part of a utility network.

Category	Description
<b>Community Facilities 1 (CF1)</b>	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>
<b>Community Facilities 2 (CF2)</b>	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>
<b>Community Facilities 3 (CF3)</b>	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 Proposed 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 Proposed District Plan – City of Lower Hutt.

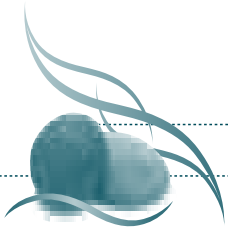


- For the avoidance of doubt, “commercial purposes” includes rating units used:
  - As a hotel, motel, inn, hostel or boarding house
  - Primarily as licensed premises
  - As a camping ground
  - As a convalescent home, nursing home, rest home or hospice operating for profit
  - As a fire station
  - 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:

<b>Category</b>	<b>Differential Factor</b>
Residential (RE)	1.00
Rural (RU)	0.65
Business Accommodation (BA)	3.00
Business Central (BC)	4.70
Business Queensgate (BQ)	4.70
Business Eastbourne (BE)	3.90
Business Suburban (BS)	3.90
Utility Networks (UN)	2.50
Community Facilities 1 (CF1)	1.00
Community Facilities 2 (CF2)	0.50
Community Facilities 3 (CF3)	2.50



## POLICY FOR REMISSION AND POSTPONEMENT OF RATES ON MAORI FREEHOLD LAND

### INTRODUCTION

Maori freehold land is defined in the Local Government (Rating) Act 2002 as land whose beneficial ownership has been determined by a freehold order issued by the Maori Land Court. Only land that is the subject of such an order may qualify for remission or postponement under this policy.

Whether rates are remitted or postponed in any individual case will depend on the individual circumstances of each application. In general, a remission of rates will be considered, unless there is a reasonable likelihood that the subject land will be used or developed in the immediate future.

This policy has been formulated for the purposes of:

- Ensuring the fair and equitable collection of rates from all sectors of the community by recognising that certain Maori-owned lands have particular conditions, features, ownership structures, or other circumstances that make it appropriate to provide relief from rates
- Meeting the requirements of Sections 102 and 108 and the matters in Schedule 11 of the Local Government Act 2002 to have a policy on the remission and postponement of rates on Maori freehold land.

### OBJECTIVES

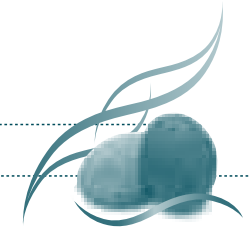
The objectives of this policy are:

- To recognise situations where there is no occupier or person gaining an economic or financial benefit from the land
- To set aside land that is better set aside for non-use because of its natural features (whenua rahui)
- To recognise matters related to the physical accessibility of the land
- To recognise and take account of the presence of waahi tapu that may affect the use of the land for other purposes

- Where only part of a block is occupied, to grant remission for the portion of land not occupied
- To facilitate development or use of the land where Council considers rates based on the rateable value make the use of the land uneconomic.

### CONDITIONS AND CRITERIA

- Application for this remission or postponement should be made prior to commencement of the rating year. Applications made after the commencement of the rating year may be accepted at the discretion of Council.
- Owners or trustees making application should include the following information in their applications:
  - Details of the rating unit or units involved
  - The objectives that will be achieved by providing a remission
  - Documentation that shows the land which is the subject of the application is Maori freehold land.
- Council may of its own volition investigate and grant remission or postponement of rates on any Maori freehold land in the city.
- Relief, and the extent thereof, is at the sole discretion of Council and may be cancelled or reduced at any time.
- Council will give a remission or postponement of up to 100% of all rates, except targeted rates set for water supply or wastewater disposal, based on the following criteria:
  - The land is unoccupied and no income is derived from the use or occupation of that land
  - The land is better set aside for non-use (whenua rahui) because of its natural features, or is unoccupied, and no income is derived from the use or occupation of that land
  - The land is inaccessible and is unoccupied
  - Only a portion of the land is occupied
  - The property carries a best potential use value that is significantly in excess of the economic value arising from its actual use.



## RATES POSTPONEMENT POLICY

### INTRODUCTION

This policy is prepared under sections 102 and 110 of the Local Government Act 2002.

### OBJECTIVE

To assist ratepayers experiencing extreme financial circumstances which affect their ability to pay rates.

### CONDITIONS AND CRITERIA

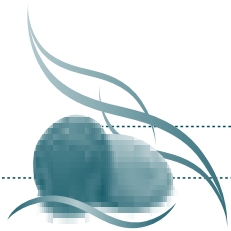
- Only rating units used solely for residential purposes (as defined by Council) will be eligible for consideration for rates postponement for extreme financial circumstances.
- Only the person entered as the ratepayer, or their authorised agent, may make an application for rates postponement for extreme financial circumstances. The ratepayer must be the current owner of, and have owned for not less than five years, the rating unit which is the subject of the application. The person entered on Council's rating information database as the 'ratepayer' must not own any other rating units or investment properties (whether in the district or in another district).
- The ratepayer (or authorised agent) must make an application to Council on the prescribed form.
- Council will consider, on a case-by-case basis, all applications received that meet the criteria described in the first two paragraphs under this section.
- When considering whether extreme financial circumstances exist, all of the ratepayer's personal circumstances will be relevant including the following factors: age, physical or mental disability, injury, illness and family circumstances.
- Before approving an application Council must be satisfied that the ratepayer is unlikely to have sufficient funds left over, after the payment of rates, for normal health care and proper provision for maintenance of his/her home and chattels at an adequate standard as well as making provision for normal day-to-day living expenses.
- Before approving an application Council must be satisfied that the ratepayer has taken all steps necessary to claim any central government benefits or allowances the

ratepayer is properly entitled to receive to assist with the payment of rates.

- Where Council decides to postpone rates the ratepayer must first make acceptable arrangements for payment of future rates, for example, by setting up a system for regular payments.
- Any postponed rates will be postponed until:
  - The death of the ratepayer(s)
  - Until the ratepayer(s) ceases to be the owner or occupier of the rating unit
  - Until the ratepayer(s) ceases to use the property as his/her residence
  - Until a date specified by Council.
- Council, as authorised by section 88 of the Local Government (Rating) Act 2002, will charge an annual fee on postponed rates for the period between the due date and the date they are paid. This fee is designed to cover Council's administrative and financial costs and may vary from year to year. The fee that will be charged in the 2006/07 financial year is \$50.
- Even if rates are postponed, as a general rule the ratepayer will be required to pay the first \$500 of the rate account.
- The policy will apply from the beginning of the rating year in which the application is made although Council may consider backdating past the rating year in which the application is made depending on the circumstances.
- The postponed rates or any part thereof may be paid at any time. The applicant may elect to postpone the payment of a lesser sum than that which they would be entitled to have postponed pursuant to this policy.
- Postponed rates will be registered as a statutory land charge on the rating unit title. This means that Council will have first call on the proceeds of any revenue from the sale or lease of the rating unit.

### DELEGATIONS

Council will delegate authority to approve applications for rates postponement to particular Council officers.



## RATES REMISSION POLICY

### INTRODUCTION

In order to allow rates relief where it is considered fair and reasonable to do so, Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

This policy is prepared under section 109 of the Local Government Act 2002 for consultation using the special consultative procedure laid down in section 83 of the same Act.

### PART 1 – REMISSION FOR COMMUNITY, SPORTING AND OTHER ORGANISATIONS

#### Objectives of the Policy

- To facilitate the ongoing provision of non-commercial community services that meet the needs of the residents of the city.
- To facilitate the ongoing provision of non-commercial recreational opportunities for the residents of the city.
- To assist the organisations' survival.
- To make membership of the organisations more accessible to the general public, particularly disadvantaged groups. These include children, youth, young families, aged people, and economically disadvantaged people.

#### Conditions and Criteria

Council may remit rates where the application meets the following criteria:

- The policy will apply to land owned by Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation, or community purposes
- The policy does not apply to organisations operated for private pecuniary profit
- The policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social

interaction, or who engage in recreational, sporting, or community services as a secondary purpose only

- Applications for remission must be made in writing to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated
- Organisations making application should include the following documents in support of their application:
  - Statement of objectives
  - Financial accounts
  - Information on activities and programmes
  - Details of membership or clients
- Any remission granted in relation to the general rate under this policy will not exceed 50% of the amount charged, unless exceptional circumstances exist
- Any organisation being rated in any of the Community Facilities differential categories will not be eligible for any remission in relation to the general rate, unless exceptional circumstances exist
- The policy shall apply to such organisations as are approved by Council as meeting the relevant criteria
- No remission will be granted on targeted rates for water supply under this policy
- Remission of targeted rates for wastewater disposal under this policy will only be granted as follows, to the types of organisations specified:
  - Places of Religious Worship will be charged for a maximum of two pans, except in circumstances where it is evident that there is regular weekday use of the building for non-worship purposes
  - Child Care Facilities will be charged for a maximum of two pans
  - Sports clubs will be charged for a maximum of two pans, unless the club holds a liquor licence
  - No more than 200 pans are to be charged on any one property
  - Marae and other similar meeting places are to be charged for a maximum of two pans.



- In cases of doubt each application shall be referred to Council's Finance and Corporate Review Committee for a final decision.

For 2003/2004	50% of actual number of pans to be charged (50% remission)
For 2004/2005	75% of actual number of pans to be charged (25% remission)
For 2005/2006	100% of actual number of pans to be charged (No remission)

#### Delegations

Council may delegate the authority to make such approvals to particular Council Officers as specified by a resolution of Council.

### PART 2 – REMISSION OF PENALTIES ADDED TO UNPAID RATES

#### Objective of the Policy

To enable Council to act fairly and reasonably in its consideration of penalties on rates which have not been paid by the due date.

#### Conditions and Criteria

- Upon receipt of an application from the ratepayer, or if identified by Council, Council may remit a penalty where it considers that it is fair and equitable to do so. Matters that will be taken into consideration by Council include the following:
  - The ratepayer's payment history
  - The impact on the ratepayer of extraordinary events
  - The payment of the full amount of rates due
  - The ratepayer entering into an agreement with Council for the payment of rates
- Council reserves the right to impose conditions on the remission of penalties.

#### Delegations

Decisions on the remission of penalties may be delegated to Council Officers or a Committee of Council. All delegations will be recorded in Council's delegation manual.

### PART 3 – REMISSION OF UNIFORM ANNUAL GENERAL CHARGES AND TARGETED RATES IN CERTAIN CIRCUMSTANCES

#### Objective of the Policy

Section 20 of the Local Government (Rating) Act 2002 provides for two or more rating units to be treated as one unit for setting a rate if the units are:

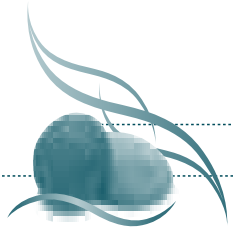
- In the same ownership
- Used jointly as a single unit
- Contiguous or separated only by a road etc.

This policy provides for the possibility of rates remission where the above three conditions are not all met, but where it is nevertheless considered inequitable for the rating units to be treated as separate.

In addition, it provides for remission of uniform annual general charges and/or targeted rates for water and wastewater in cases where a rating unit is liable for multiple charges, but it is considered inequitable or excessive to assess full charges.

#### Conditions and Criteria

- The units may be in separate ownership, but if they are contiguous and are used jointly as a single unit, they will be treated as a single unit.
- Contiguous rating units in the same ownership will be treated as a single unit where any of the following circumstances exist:
  - One unit is used as a private residence and the contiguous unit(s) is used solely as a garden or similar private part of the grounds only in connection with the residence
  - One unit is used solely for vehicle parking in conjunction with a building on a contiguous rating unit in the same ownership



- A rating unit used for residential purposes and which includes a separately inhabited part, may apply to be treated as having only one separately used or inhabited part if the second part is occupied by a dependent member of the family of the owner
- Owners wishing to claim a remission under this policy are required to make a written application and to supply such evidence as may be requested to verify that a remission should be granted under this policy. While a remission may be granted for the current year, no consideration will be given to applications relating to prior years.

#### **Delegations**

Council will delegate authority to consider and approve applications to Council Officers.

### **PART 4 – REMISSION ON LAND PROTECTED FOR NATURAL, HISTORIC OR CULTURAL CONSERVATION PURPOSES**

#### **Objective of the Policy**

- To protect and promote significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites.
- This policy will support the provisions of the District Plan where a number of these features have been identified.

#### **Conditions and Criteria**

- Ratepayers who own rating units which include significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites, including those identified in the District Plan, and who have voluntarily protected these features, may qualify for remission of rates under this part of the policy.
- Land that is non-rateable under section 8 of the Local Government (Rating) Act and is liable only for rates for water supply, wastewater disposal or refuse collection will not qualify for remission under this part of the policy.
- Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit eg, a copy of the Covenant or other legal mechanism.
- In considering any application for remission of rates under this part of the policy

Council will consider the following criteria:

- The extent to which the protection and promotion of significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites will be promoted by granting remission of rates on the rating unit
  - The degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites are present on the land
  - The degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites inhibit the economic utilisation of the land.
- In granting remissions under this part of the policy Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.
  - Council will decide what amount of rates will be remitted on a case-by-case basis subject to a maximum amount of 50% of rates owing per year.

#### **Delegations**

Applications for the remission for protection of heritage will be considered by a Committee of Council, acting under delegated authority from Council.

### **PART 5 – RATES REMISSION FOR ECONOMIC DEVELOPMENT**

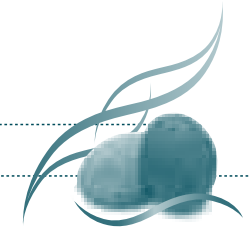
#### **Objectives of the Policy**

To promote employment and economic development within the city by offering rates remission to:

- Assist new businesses to become established in the city
- Assist existing businesses in the city to expand and grow.

This policy is one of a number of initiatives for businesses that Council has in place to assist in achieving the outcomes in its Economic Development Strategy.





### Conditions and Criteria

This part of the policy applies to commercial and/or industrial development that involves the construction, erection or alteration of any building or buildings, fixed plant and machinery, or other works intended to be used for industrial, commercial or administrative purposes. Residential developments will not qualify for remission under this part of the Remission Policy.

In considering applications for remission under this part of the policy Council will have regard to the extent applications meet all of the guidelines in Part A and will also have regard to the extent applications meet all or some of the guidelines in Part B.

#### Part A – Mandatory Guidelines

##### 1 General

- The development is of strategic importance for the future economic development of the city. This may be demonstrated by the scale, type or nature of the development.
- The number of new employment opportunities the development will create. Generally a new business would be expected to create at least 50 new full-time-equivalent jobs. An existing business would be expected to increase its full-time-equivalent staff numbers by:
  - Over 50% of existing full-time-equivalent jobs
  - At least 50 new full-time-equivalent jobs,
 whichever is the lesser.
- The extent to which the development is likely to be in competition with existing businesses. Generally a business will be required to demonstrate that there is little or no competition with existing businesses, or that there is unfulfilled demand in the market for the type of business.
- The amount of new capital investment the development will bring into the city. The amount of new investment should be not less than \$2,500,000 unless the business falls within the category identified in 2 below. Consideration will be given to the extent that the new development would increase the rating base.

##### 2 Guidelines regarding innovative or rare types of business for Hutt City using advanced science and/or advanced technology

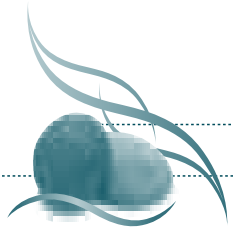
Innovative or rare types of business for Hutt City using advanced science and/or advanced technology are likely to be more favourably considered for remission.

It is recognised that these types of businesses may not initially create 50 new full-time-equivalent jobs or invest at least \$2,500,000 of new capital. Therefore applications from such businesses will be considered for remission where the business can demonstrate, through recognised research and development programmes and/or through ownership or access to recognised intellectual property rights, that it has a realistic future potential to create at least 50 new full-time-equivalent jobs and at least \$2,500,000 of future new capital investment within three years of the granting of any rates remission.

In considering applications for remission under this part of the policy Council will also have regard to the extent applications meet all or some of the guidelines in Part B.

#### Part B – Further Guidelines

- The business demonstrates a long term commitment to remain and operate in the city. Property ownership or a long-term lease of property may be accepted as a proof of commitment.
- The development protects or retains cultural aspects of the city eg, maintains and protects a heritage building.
- The development adds new and/or visually attractive infrastructure/buildings to the city.
- The development has minimal impact on the environment in terms of air, water or soil.
- It is likely that any remission granted would provide encouragement or impetus to proceed with the development.



### Application Process

Applications must be made in writing and must be supported by:

- A description of the development
- A plan of the development (where possible)
- An estimate of costs
- An estimate of the likely number of jobs to be created by the development
- An environmental impact report (if applicable)
- Evidence of ownership or access to intellectual property rights (if applicable)
- Evidence of future commercial potential use of that intellectual property (if applicable).

Where the applicant is not the owner or the ratepayer of the property, the applicant must provide written proof of support from the property owner. If the applicant is a lessee then the lease expiry date should be stated, as well as any rights of renewal etc.

In considering applications Council may decide to seek independent verification of any information provided on an application.

Council will decide what amount of rates will be remitted on a case-by-case basis, having regard to the criteria listed above. Remissions granted will generally be not less than 50%, and may be up to a maximum of 100% of the rates levied by Hutt City Council on the capital value of the new investment only, and for up to a maximum remission period of three years.

In granting remissions under this part of the policy Council may specify certain conditions before remission will be granted. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

### Delegations

Applications for a remission of rates for economic development will be decided by full Council. Council may elect to refer all or part of an application to a committee for additional review and recommendation.

## PART 6 – REMISSION FOR RESIDENTIAL LAND IN COMMERCIAL OR IN INDUSTRIAL AREAS

### Objective

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and previous local authorities.

### Conditions and Criteria

To qualify for remission under this part of the policy the rating unit must:

- Be situated within an area of land that has been zoned for commercial or industrial use. Ratepayers can determine the zoning of their property by inspecting the District Plan, copies of which are available at Council offices.
- Be listed as a “residential” property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect Council’s rating information database at Council offices.

Those ratepayers wishing to claim remission under this part of the policy must make an application on the prescribed form (available from Council offices).

The application for rates remission must be made to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

If an application is approved Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. The ratepayer may be asked to contribute to the cost of this valuation. Ratepayers should note that the valuation service provider’s decision is final and there are no statutory rights of objection or appeal for values done in this way.

The amount of remission granted under this part of the policy will be limited to the difference between the rates charged on the original value, and the rates chargeable on the valuation of the rating unit as a house in a residential area.



## DELEGATIONS

Applications for remission under this part of the policy will be determined by Officers of Council, acting under delegated authority from Council as specified in the delegations resolution.

## PART 7 – REMISSION OF WASTEWATER CHARGES TO SCHOOLS

### Objective

To provide relief and assistance to educational establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001 in paying charges for wastewater services.

### Conditions and Criteria

- This part of the policy will apply only to educational establishments as defined in the Rating Powers (Special Provision for Certain Rates for Educational Establishments) Amendment Act 2001.
- The policy does not apply to any school house, or any part of a school used for residential purposes.
- The wastewater charge to any educational establishment in any one year will be the lesser of either:
  - a. The amount of the targeted rate for wastewater, calculated based on the actual number of toilet pans in the establishment
  - b. The amount of the targeted rate for wastewater calculated based on a notional number of toilet pans in the establishment, determined according to the following formula:
    - Based on the establishment's water consumption for the previous financial year, each 200 cubic metres of water used, or part thereof, shall count as one toilet pan
- Where the charge made is based on the notional number of toilet pans, the amount of the remission allowed will amount to the difference between the calculations set out in *a* and *b* above.

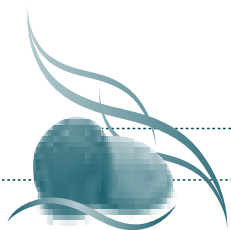
## PART 8 – REMISSION OF RATES AND CHARGES ON LAND AFFECTED BY NATURAL CALAMITY

### Objective

To provide relief and assistance to any ratepayer where the use that may be made of any rating unit has been detrimentally affected by erosion, subsidence, submersion, or other natural calamity.

### Conditions and Criteria

- This part of the policy will apply to any rating unit affected by natural calamity.
- In the case of residential rating units, up to 100% of all rates and charges, including charges made for water and wastewater services, may be remitted for the period during which the buildings are uninhabitable.
- In the case of all other rating units, up to 100% of all rates and charges, including charges made for water and wastewater services, may be remitted for the period during which the rating unit is unable to be fully utilised, or utilised to the same extent as it was prior to the occurrence of the natural calamity.
- Applications are required to be made in writing by the ratepayer.
- Applications will generally only be considered for assistance where the rating unit is uninhabitable or unusable for a period exceeding one month.
- The application must describe the nature of the natural calamity, and outline the steps that the owner has taken, or will be taking, to return the rating unit to a usable state, and provide an estimate of the time the rating unit is expected to be affected.
- The amount of remission granted in any individual case will be determined based on the severity of the damage to the rating unit, as well as the individual circumstances of the ratepayer and the financial circumstances of Council.
- Applicants for a remission under this part of the policy will also be deemed eligible to be considered for a postponement of rates under the Rates Postponement Policy. Assistance granted may therefore be in the form of either a postponement or a remission of rates, or a combination of both, whichever is most appropriate in the individual circumstances.



- Any rates postponed on rating units affected by natural calamity may at a later date be considered for a remission under this policy, when the full extent and duration of the event has become more clearly defined.
- All applications must be made in writing by the ratepayer within three months of the event.

**Delegations**

Applications for remission under this part of the policy will be decided by a Committee of Council, acting under delegated authority.

# *Fees & Charges*







## FEES AND CHARGES

### FEES AND CHARGES FOR 2006/2007

Council's fees and charges for 2006/2007 are either the result of the Revenue and Financing Policy or are transitional steps towards achieving the required targets as specified in the Revenue and Financing Policy (see pages 224 – 256).

The Revenue and Financing policy analyses each significant activity and sets the proportion of costs to be met from fees and charges. Individual fees and charges are based on estimated levels of use for each activity.

Council reserves the right to vary fees and charges for goods and services or amenities provided by Council under Section 12 of the Local Government Act 2002 (other fees may be prescribed by by-law).

All fees and charges include Goods and Services Tax (GST).

### HUTT CITY COUNCIL'S FEES AND CHARGES FOR 2006

All fees and charges include GST.

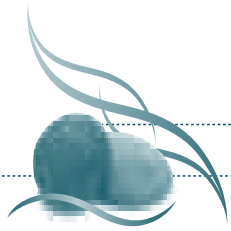
#### ANIMAL CONTROL

##### Dog

	<b>2006/07</b>
Entire dogs	\$92.00
Neutered dog	\$82.00
All dogs not re-registered by 11 August 2006	\$125.00
Responsible owner status	\$55.00
Replacement registration tag	\$5.00
Euthanasia at dog owner's request	\$30.00
Licence fee for keeping more than two dogs	\$30.00
Infringement fees set in the Dog Control Act 1996 apply.	
Micro-chipping fee	\$30.00

#### Impounding And Sustenance Fees

First impounding during year of registration	\$75.00
Second impounding during year of registration	\$150.00
Sustenance fee per dog per day	\$14.00
Boarding fees per day	\$14.00
Seizure fees	\$75.00



**CEMETERIES**

**Plot Purchase and Maintenance In-perpetuity**

Adult	\$1187.00
Child (1 to 12 years)	\$289.00
Infant (under 1 year)	\$202.00
Ashes	\$376.00
Ashes garden, Taita and Wainuiomata	\$734.00
Memorial tree plots, Block 18	\$492.00
Ponga trail, Block 19	\$575.00
Monumental plots, Block 16	\$1,731.00

**Interment Fees**

Adult	\$625.00
Child (1 to 12 years)	\$361.00
Infant (under 1 year)	\$72.00
Ashes	\$85.00

**RSA Section**

Burial plot purchase	No Charge
Burial interment fee	\$625.00
Ashes plot purchase	No Charge
Ashes interment fee	\$85.00
Ashes interment (memorial wall)	\$85.00

**2006/07**

**Disinterments**

Burial (body)	\$1,777.00*
Ashes	\$165.00

\* Note: This figure is indicative only and the actual charge may differ depending on the nature of the disinterment

**Re-interments**

To be charged as for interment fees

**Special Fees And Charges**

Outside district fees* – all interments and disinterments	\$421.00
Casket larger than standard	\$138.00
Triple depth burial interment	\$138.00
Outside standard hours of work	Actual Cost
Plaque/Memorial fees	\$62.00
Plot cancellation fee	\$40.00
Breaking of concrete	Actual Cost
Search fee: Per entry (up to 30 minutes)	\$9.50

\* 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 rate originally paid for the plot.





**ENCROACHMENT ON HUTT CITY COUNCIL LAND**

Single garage	\$112.50 per annum
Double garage	\$225.00 per annum
Boatshed	\$250.00 per annum

Note these are indicative figures only and actual charges may differ depending on the nature of the encroachment.

**ENGINEERING RECORDS AND LAND INFORMATION SERVICES 2006/2007**

Print size	Plan Printer	Transparency Plan Printer	Ink Jet Plotter
Oversize	–	–	\$50.00
A0	–	–	\$30.00
A1	\$8.00	\$5.00	\$20.00
A2	\$4.00	\$3.00	\$10.00
A3	\$2.00	–	\$7.00
A4	–	–	\$5.00
Copies of Otho-rectified Aerial Images (per tile)		2003	\$50.00
		1995	\$15.00
GIS Specialists time (per hour)			\$60.00

**ENVIRONMENTAL APPROVALS**

**Resource Consents**

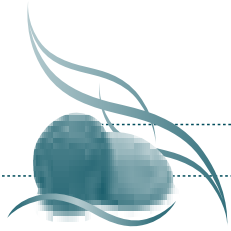
**2006/07**

**Land Use Consents (Non-complying, Discretionary, Restricted Discretionary, Controlled)**

Notified application hearing required (where any resource consent hearing continues more than one day, each subsequent day, or part of a day, shall be charged to the applicant at a rate of \$1,000 per day). If application is required to be notified in a daily newspaper an additional fee of \$1,000 is required	\$3,500.00
Notified Application – No hearing required	\$2,500.00
Limited notification	\$3,000.00
Non-notified Resource Consent	\$600.00

**Other fees**

Certificate of Compliance-Resource Management Act 1991	\$600.00
Planning Certificate under Sale of Liquor Act 1989 or in relation to Motor Vehicle Dealers	\$180.00
Any special inspections (per hour)	\$80.00
Outline plans	\$600.00
Section 10 waivers, section 37 waivers, section 125 extensions, section 126 cancellations, section 127, and section 128 review (non-notified)	\$600.00
Certificates under Overseas Investment Act 1973	\$360.00
Sealing fees (for urgent applications for registerable instruments)	\$80.00
Sections 357, 357A and 357B objections (non-notified)	\$600.00
Section 241 and 243 applications	\$600.00

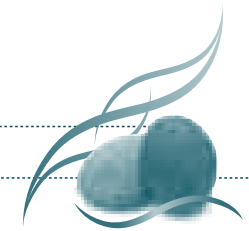


	<b>2006/07</b>
<b>Subdivisions (including Unit Title/Cross Lease)</b>	
Subdivision consent including Certificate under section 223 *plus \$50 per lot over 4	\$800.00*
Certificate under section 224(c)	\$150.00
Rights of way	\$300.00
Rights of way sealing fee	\$150.00
Subdivision consent including land use consent	\$1000.00
<b>Discharge of Withdrawal of Registerable Agreement</b>	
Legal costs plus officer's time at (per hour)	\$80.00
Removal of Building Lines (plus disbursements)	\$112.50
<b>Adjustment or Revocation of Easements</b>	
Legal costs plus officer's time at (per hour)	\$80.00
<b>Building Consents</b>	
Amendments to Building Consent Applications (includes half hour processing time)	\$150.00
Additional processing per hour	\$80.00
Application for waiver or modification of Building Consent fee plus actual cost of any professional advice sought by Council (includes half hour processing)	\$150.00
Additional processing per hour	\$80.00
Issue of Building Consent to Building Certifier	\$100.00
Acceptance fee of producer statements	\$100.00
Marquee Licence	\$110.00
Earthworks Consent	\$250.00

	<b>2006/07</b>
Certificate of public use – received independently	\$225.00
Certificate of public use – part of Building Consent	\$165.00
Swimming Pool and Spa Inspections – per inspections	\$80.00
Building Warrant of Fitness	\$90.00
Amendment to compliance schedule	\$50.00
Code of compliance certificates and copies	\$56.25

**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 contained in this Community Plan. This Policy was amended significantly in 2006, with the resulting changes generally being applied from 1 July 2006.



Value of Work (revised fee structure for 2006/2007)	P.I.M.	Only B.C.	Only Total Cost P.I.M. & B.C.
Minor Works: building, hot water cylinders, free-standing, inbuilt fires	\$40.00	\$70.00	\$110.00
Under \$2000	\$70.90	\$118.60	\$189.50
\$2001 – \$5000	\$102.90	\$210.60	\$313.50
\$5001 – \$10,000	\$105.90	\$289.60	\$395.50
\$10,001 – \$20,000	\$170.70	\$457.80	\$628.50
\$20,001 – \$50,000	\$229.50	\$607.20	\$836.70
\$50,001 – \$100,000	\$345.00	\$977.60	\$1,322.00
\$100,001 – \$200,000	\$432.00	\$1,054.00	\$1,486.00
\$200,001 – \$300,000	\$465.00	\$1,415.00	\$1,880.00
\$300,001 – \$400,000	\$530.00	\$1,745.00	\$2,275.00
\$400,001 – \$500,000	\$595.00	\$2,105.00	\$2,700.00
\$500,001 – \$600,000	\$660.00	\$2,485.00	\$3,145.00
\$600,001 – \$700,000	\$725.00	\$2,815.00	\$3,530.00
\$700,001 – \$800,000	\$805.00	\$3,375.00	\$4,180.00
\$800,001 – \$900,000	\$855.00	\$3,675.00	\$4,530.00
\$900,001 – \$1 million	\$930.00	\$4,005.00	\$4,935.00
\$1 million above total	\$4,935 + \$430 per \$200,000		

**Certificate of Acceptance**

- Works under \$100,000      **\$700 deposit plus \$80 per hour and disbursements**
- Works over \$100,000      **\$2,000 deposit, plus \$80 per hour and disbursements**

**PLUMBING INSPECTIONS**

- Plumbing Inspections (per hour)
- Additional Building Inspections (per hour)

**2006/07**

- \$80.00
- \$80.00

**RECORD SEARCHES**

- Search of records up to 15 minutes
- Search of records over 15 minutes – per hour
- Print off a microfiche – per print
- Certificate of Title
- Current lease
- Document eg transfer, easement, covenant
- Deposited Plan A4/A3 size

- \$20.00
- \$80.00
- \$10.00
- \$15.00
- \$15.00
- \$15.00
- \$15.00

**LAND INFORMATION MEMORANDA (“LIM”)**

- Residential Property LIM
- Commercial Property LIM (deposit)

- \$300.00
- \$300.00

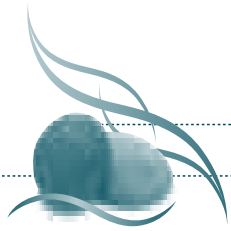
(Additional fees may apply if more than two hours is required for commercial property LIMs)

**ENVIRONMENTAL HEALTH APPROVAL**

**Fee**

- Premises meeting the required standard by 1 July are eligible for a discount provided re-registration is applied for by 20 August
- Transfer/minimum fee
- Non-complying inspection fee

- \$50.00
- \$50.00



	Fee	Discount Fee	A Grade
<b>Food Premises</b>			
Class One – Fruiterers, Pre-packaged only (low risk, pre-packaged)	2006 \$283.00	2006 \$195.00	2006 \$160.00
Class Two – Dairies, Service Stations (small premises – ready made foods – some Ice-cream/pre-wrapped pies), Clubs (medium)	2006 \$338.00	2006 \$235.00	2006 \$194.00
Class Three – Clubs (large), Rest Homes (<25), Service Stations (large), Minimarts, Canteens (small)	2006 \$415.00	2006 \$290.00	2006 \$240.00
Class Four – Takeaways, Eating Houses (<40), Meat and Fish, Delicatessens, Canteens (large), Caterer (small), Bakery, Wholesaler, (small) Rest Home (25-50), Supermarkets (medium)	2006 \$483.00	2006 \$335.00	2006 \$276.00
Class Five – Eating houses (>40), Caterer (large), Wholesalers (large), Rest Homes (>50), Supermarkets (large)	2006 \$793.00	2006 \$545.00	2006 \$445.00
Travelling Shop – Food	2006 \$235.00		
Food Stall – Food	2006 \$235.00	2006 \$160.00	
Clubs/Canteens (small) – type 16 – no food preparation	2006 \$115.00	2006 \$80.00	2006 \$66.00

	Fee	Discount Fee	A Grade
<b>Other Licences</b>			
Travelling Shop – no food	\$115.00	\$N/A	\$N/A
Hairdresser	2006 \$235.00	2006 \$160.00	\$N/A
Camping Ground	2006 \$395.00	2006 \$270.00	\$N/A
Hawker	\$50.00	\$N/A	\$N/A
Amusement Device	\$80.00	\$N/A	\$N/A
Mortuary	2006 \$288.00	2006 \$200.00	\$N/A
Offensive Trade	2006 \$335.00	2006 \$230.00	\$N/A
Video Parlour	2006 \$75.00	\$N/A	\$N/A



<b>Additional Charges</b>	<b>2006/2007</b>
One-off Food Stall	\$20.00
New Premises – Establishment fee	\$100.00
Initial Licence Fee	\$80.00
Transfer Licence fee	\$50.00
Additional Inspections fee	2006 \$80.00 per visit
Food Safety Audits	\$90.00 per hour (expenses additional)
Street Musicians Licence	\$20.00
Amusement Devices (per site for 7 days)	\$11.25 (\$2.25 for each further device)
Rural Fire Permits	\$20.00
<b>Noise Control</b>	
Seizure Fine (stereo equipment)	2006 \$140.00 and \$1 per day after the 1st month of storage
Security alarms – daytime attendances	\$80.00
Security alarms – after hours attendances	\$150.00
Consultancy and survey fee	\$100.00 per hour

## **ENVIRONMENTAL POLICY**

### **Requests for Change to District Plan (deposit)**

All work undertaken by the Council's Officers in connection with the request for the change, including any preparation, shall be charged at \$80 per hour against the deposit.

If the proposed change is notified publicly, advertising charges will be actual costs payable by the applicant. All information requested by the Council shall be supplied at the applicant's cost. Any hearing shall be charged at \$1,000 per day or part day plus the Officer's time at \$80 per hour against the deposit.

### **Notice for Requirements (deposit)**

All work undertaken by the Council's Officers in connection with the requirement shall be charged at \$80 per hour against the deposit. If the proposed change is notified publicly, advertising change will be actual costs payable by the applicant.

All information requested by the Council shall be supplied at the Requiring Authority's cost. Any hearing shall be charged at \$1,000 per day or part day plus the Officer's time at \$80 per hour against the deposit.

### **Operative District Plan**

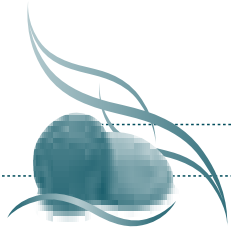
Complete set	\$250.00
Text Volume	\$125.00
Map Volume	\$125.00

**2006/07**

\$3,000.00

\$3,000.00

**2006/2007**



**HALLS**

Community rates of charges 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.

**Town Hall and Horticultural Hall**

<b>Monday to Friday</b>	<b>Main Hall</b>	<b>Supper Room</b>	<b>Kitchen &amp; Supper Room</b>	<b>Main Hall &amp; Kitchen</b>	<b>All Facilities</b>
Morning 8 am-12 noon	\$120.00	\$30.00	\$60.00	\$160.00	\$180.00
Lunchtime 12 noon-2 pm	\$60.00	\$25.00	\$40.00	\$85.00	\$110.00
Afternoon 2 pm-6 pm	\$120.00	\$30.00	\$60.00	\$160.00	\$180.00
Evening 6 pm-11 pm	\$135.00	\$40.00	\$90.00	\$180.00	\$215.00
Morning and afternoon 8 am-6 pm	\$205.00	\$60.00	\$120.00	\$265.00	\$320.00
Afternoon and evening 2 pm-11 pm	\$205.00	\$60.00	\$120.00	\$265.00	\$320.00
All day and evening 8 am-11 pm	\$265.00	\$90.00	\$180.00	\$360.00	\$445.00

After 11 pm the rate is \$60 per hour.

Note: The Town Hall supper room and kitchen are not available for public hire during normal working hours.

**Weekends and Public Holidays**

	<b>Main Hall</b>	<b>Supper Room</b>	<b>Kitchen &amp; Supper Room</b>	<b>Main Hall &amp; Kitchen</b>	<b>All Facilities</b>
Morning 8 am-12 noon	\$170.00	\$50.00	\$85.00	\$205.00	\$250.00
Lunchtime 12 noon-2 pm	\$85.00	\$35.00	\$70.00	\$120.00	\$145.00
Afternoon 2 pm-6 pm	\$170.00	\$50.00	\$85.00	\$205.00	\$250.00
Evening 6 pm-11 pm	\$190.00	\$70.00	\$130.00	\$250.00	\$310.00
Morning and afternoon 8 am-6 pm	\$290.00	\$85.00	\$170.00	\$370.00	\$455.00
Afternoon and evening 2 pm-11 pm	\$290.00	\$85.00	\$170.00	\$370.00	\$455.00
All day and evening 8 am-11 pm	\$370.00	\$130.00	\$250.00	\$490.00	\$610.00

After 11 pm the rate is \$85 per hour.

**Little Theatre**

	<b>All Facilities Monday to Friday</b>	<b>All Facilities Weekends and Public Holidays</b>
Morning 8 am-1 pm	\$100.00	\$145.00
Afternoon 1 pm-6 pm	\$100.00	\$145.00
Evening 6 pm-11 pm	\$100.00	\$145.00
Two sessions in one day	\$160.00	\$220.00
Three sessions in one day	\$240.00	\$325.00

After 11 pm the rate is \$50 per hour.



**MOERA, EASTBOURNE AND WAINUIOMATA COMMUNITY HALLS**

<b>Monday to Friday</b>	<b>Main Hall</b>	<b>Supper Room</b>	<b>Kitchen &amp; Supper Room</b>	<b>Main Hall &amp; Kitchen</b>	<b>All Facilities</b>
Morning 8 am-1 pm	\$50.00	\$20.00	\$35.00	\$65.00	\$85.00
Afternoon 1 pm-6 pm	\$50.00	\$20.00	\$35.00	\$65.00	\$85.00
Evening 6 pm-11 pm	\$50.00	\$20.00	\$35.00	\$65.00	\$85.00
Two sessions in one day	\$80.00	\$30.00	\$55.00	\$110.00	\$130.00
Three sessions in one day	\$115.00	\$35.00	\$65.00	\$145.00	\$180.00

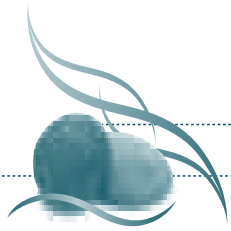
After 11 pm the rate is \$35 per hour.

<b>Weekends and Public Holidays</b>	<b>Main Hall</b>	<b>Supper Room</b>	<b>Kitchen &amp; Supper Room</b>	<b>Main Hall &amp; Kitchen</b>	<b>All Facilities</b>
Morning 8 am-1 pm	\$65.00	\$25.00	\$50.00	\$90.00	\$115.00
Afternoon 1 pm-6 pm	\$65.00	\$25.00	\$50.00	\$90.00	\$115.00
Evening 6 pm-11 pm	\$65.00	\$25.00	\$50.00	\$90.00	\$115.00
Two sessions in one day	\$115.00	\$35.00	\$70.00	\$150.00	\$185.00
Three sessions in one day	\$155.00	\$50.00	\$90.00	\$205.00	\$250.00

After 11 pm the rate is \$35 per hour.

**LANDFILLS**

	<b>2006/07</b>
<b>Domestic Vehicles (cash only)</b>	
Cars and station wagons	\$8.00
Vans, utilities, SUV (4-wheel drives), small trailers (Max refuse dimensions: 2.5m long, 1m high, 1.5m wide)	\$15.00
<i>Please note: Combinations of vehicles (vans, utilities, small trucks) and trailer will cost the sum of their respective charges. Hazardous wastes are only accepted at Silverstream landfill.</i>	
<b>All Other Vehicles (per tonne)</b>	
Minimum Charge	\$68.00
Special Burials	\$34.00
Minimum Charge	\$110.00
Minimum Charge	\$55.00
<b>Hazardous Wastes</b>	
By negotiation, refer to the "Hutt City Landfill – Waste Disposal Guide"	
<i>Please note: Hazardous wastes are only accepted at Silverstream Landfill.</i>	
<b>Car Bodies</b>	
Clean car bodies	\$12.00
Other car bodies	\$35.00
<b>Tyres</b>	
Disposal of more than four tyres (per tonne) regardless of vehicle type	\$300.00
Minimum Charge	\$150.00
<b>Refuse Bags</b>	
Plastic bags – packet of 5	\$7.00
Plastic bags – packet of 10	\$14.00
Plastic bags – packet of 50	\$65.00



**LIBRARIES**

Reserves per request	\$1.00
Interloans (non-urgent) per request	\$10.00
Interloans (urgent)	At cost
Lost items	Replacement cost
Rental collections	Vary according to format to a maximum of \$10 per item
Overdue charges	Vary according to format from \$0.20 to \$2.00 per day to a maximum of \$10.00 per item
Borrower's card replacement (per card)	\$2.00

**OFFICIAL INFORMATION**

Schedule Of Charges For The Provision Of Information 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 then 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 then the basis of charging (except for the issue of land information memoranda under section 44A of the Act) is as follows:
  - An initial charge for the first chargeable half hour or part thereof of manuscripts and the supervision of access \$30.00
  - Then for each additional half hour or part thereof actioning the request includes search and retrieval of information providing the information and thereafter will be charged at (per page) \$38.00
- (c) Photocopying on standard A4 or foolscap paper will be free of charge for the first 20 pages \$0.20

- (d) All other charges incurred shall be fixed at an amount that recovers the actual costs involved. This will include:
  - Producing a document by computer or other like equipment
  - Reproducing a photograph, film, video or audio recording
  - Arranging for the applicant to hear or view an audio or visual recording
  - Providing a copy of any map, plan or other document larger than A4 or foolscap size retrieval of information off-site, or any situation in which a direct charge is incurred by the Council in providing the information
  - Where repeated requests are made from the same source in respect of a common subject in any eight-week period, requests after the first will be aggregated for charging purposes
- (e) A charge may be modified or waived at the discretion of a General Manager or the General Legal Counsel 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:
  - Information that is not where it ought to be
  - Time spent deciding whether or not access should be allowed and in what form (note that the actual physical editing of protected information is chargeable)
- (g) In accordance with section 13(4) of the Act, charges shall be paid in advance of receipt of information. Work on a request where the charge is likely to exceed \$76 may be suspended unless a deposit is paid.

**COMMUNITY DEVELOPMENT**

Community Group Directory	\$10.00
Community Group Directory (Community Groups)	\$5.00





**PARKING**

**Meters (Monday to Saturday)**

1 hour time limit (per hour)	\$1.50
2 hour time limit (per hour) (apart from Rutherford Street)	\$1.50
Rutherford Street (per hour)	\$0.80

**No time limit** \$0.70/hour up to 5 hours then \$0.30/hour

**Pay and Display**

**Off-street areas (Monday to Friday)**

Civic Fountain/Dowse/Stevens Grove (per hour)	\$0.70
Maximum per day	\$5.00
Riverbank car park (Monday to Friday)	
Per hour	\$0.70
Maximum per day	\$4.00
(Monthly prepaid discount card for Riverbank car park – 25% discount)	\$60.00 per month

**On-street areas (Monday to Friday)**

Myrtle Street – all day angle parking (per hour)	\$0.70
Maximum per day	\$5.00
Raroa Road/Bloomfield Terrace – 1 hour time limit (per hour)	\$1.50
Cornwall Street – 2 hour time limit (per hour)	\$1.50

**Cornwall Street – all day parking** \$0.70 per hour up to 5 hours then \$0.30/hour

**Leased Parking**

Riverbank (standard rate) per week	\$20.00
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**Penalties – Metered Areas**

Maximum as set out in the Transport Act

**Penalties – Pay and Display Areas**

Not displaying a ticket \$40.00

Overstay where the excess time is:

Not more than 30 minutes	\$12.00
More than 30 minutes but no more than 1 hour	\$15.00
More than 1 hour but no more than 2 hours	\$21.00
More than 2 hours but no more than 4 hours	\$30.00
More than 4 hours but no more than 6 hours	\$42.00
More than 6 hours	\$57.00

**Miscellaneous**

Construction loading zones	Site specific
Meter hoods (per day)	\$10.00

**RECYCLING**

Replacement recycling bins	\$10.00
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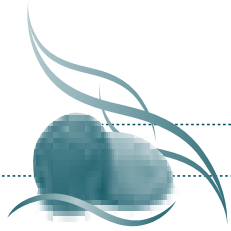
**ROADING**

**Subdivision Inspection And Approval Charges**

Boundary adjustment	\$132.30
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**Additional lots:**

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.



**Motor Crossing Charges**

	2006/07	
	Standard Fee	Admin./ Inspection
Concrete dished crossing/m <sup>2</sup>	\$130.00	\$72.00
Extensions to existing concrete crossings/m <sup>2</sup>	\$130.00	\$72.00
Installation of concrete dished crossing in conjunction with road reconstruction work/m <sup>2</sup>	\$65.00	\$72.00
Concrete block crossing		
Pipe crossing		
“Slot” type crossing/m <sup>2</sup>	\$130.00	\$72.00
Deposit for privately installed crossing (\$200 refunded upon satisfactory completion of crossing)	\$272.00	

**Trench Inspection Fees**

Proposals, administration and monitoring on time basis:

Engineer (per hour)	\$61.88
Inspector (per hour)	\$42.75

**SPORTSFIELDS**

**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**

	2006/07
Events and commercial operators	By quotation
Picnic bookings (30 or more people)	\$30.00
Filming per hour	\$100.00
Marquees for picnics/promotions	\$100.00
Hire of rooms, social facilities, training fields etc.	By quotation

**Note: Bookings for the season will take priority over casual bookings**

**STORMWATER**

Stormwater connection fee	\$25.00
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## SWIMMING POOLS

### Indoor Pools (Huia, Naenae, Stokes Valley)

Adult	\$4.00
Child	\$2.50
Over 60s	\$2.50
Spectator (non-supervising adult)	\$1.00
Family pass (2 adults/4 children)	\$10.00

### Concession Tickets

Adult 10 swim concession	\$34.00
Adult 30 swim concession	\$84.00
Child and over 60s 10 swim concession	\$21.00
Child and over 60s 30 swim concession	\$52.00

### Pool Hire

Permanent hire per hour (for example, weekly 25 metres) includes all aquatic clubs	\$54.00
Casual hire (25 metres per hour)	\$75.00
Naenae pool (50 metres per hour)	\$150.00
Lane charge (per hour)	\$15.00

### School groups

Main pool (per head)	\$0.75
Learners pool (per head)	\$0.75
Meeting room hire (per hour)	\$20.00

### Outdoor Pools (Eastbourne, McKenzie, Wainuiomata)

Adult	\$3.50
Child	\$2.00
Over 60s	\$2.00
Spectators (non-supervising adult)	\$1.00
Family pass (2 adults/4 children)	\$8.00

### CONCESSION TICKETS

Adult 10 swim concession	\$30.00
Adult 30 swim concession	\$73.00
Child and over 60s 10 swim concession	\$17.00
Child and over 60s 30 swim concession	\$42.00

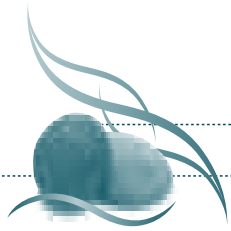
### Pool Hire

#### Wainuiomata pool (three-hour limit – whole complex)

Saturday, Sunday evenings 6-9 pm	\$220.00
Swimming club hire (per hour)	\$30.00
School groups (per head)	\$0.50

### Wainuiomata lounge hire

Meetings	\$40.00
Socials	\$80.00



**WASTEWATER**

**Sewerage Connection**

	<b>2006/07</b>	
Sewerage connection fee	\$25.00	
Trade Waste Consent Fees	Consent fees	Consent + \$200 if conditional consent required:
Class 1: high risk	\$1,600.00	\$1,800.00
Class 2: moderate risk	\$800.00	\$1000.00
Class 3: low risk	\$400.00	\$600.00
<i>Note: May also include major fast food businesses</i>		
Class 4: minimal risk	\$160.00	\$360.00
<i>Note: May include laundries, dry cleaners, restaurants, small wash pads, supermarkets with delicatessens and/or butchery and/or bakery, caterers, canteens</i>		
Class 5: minimal risk with low flow	\$70.00	N/A
<i>Note: May include takeaway food premises, cafes and small restaurants</i>		
<b>Trade Waste User Charges</b>	<b>2006/07</b>	
Volume (m3)		\$0.327 per m3
Suspended Solids		\$0.565 per kg
COD (Chemical Oxygen Demand)		\$0.208 per kg

**WATER**

	<b>2006/07</b>
Upper Belmont development Levy (per lot)	\$5315.00
Water connection fee	\$45.00
Fee for use of water by builders on unmetered industrial and commercial sites.	\$47.00
<b>Charge for Ordinary Supply Class 2 Water</b>	
Minimum charge	UAC
Domestic water meter rental	\$50.00
<b>Normal users per cubic metre</b>	
Up to 100,000 cubic metres	\$1.32
In excess of 100,000 cubic metres	\$1.00
<b>Water supplied by hydrant</b>	
Per cubic metre	\$1.32
Minimum charge	\$20.00
Back-flow prevention – annual inspection charge	\$140.00

# *Council-controlled Organisations*



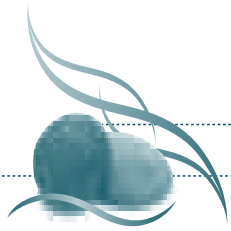




## COUNCIL-CONTROLLED ORGANISATIONS

In order to achieve its objectives for Hutt City, Council operates several Council-controlled Organisations (CCOs) and Council-controlled Trading Organisations (CCTOs). These organisations independently manage facilities, as well as deliver services and undertake developments on behalf of the Hutt City community. The following table explains what the organisations do and how their performance is measured.

ORGANISATION	WHY DOES IT EXIST? (why we own/control it)	WHAT DOES IT DO? (nature and scope of its activities)	WHAT ARE ITS PERFORMANCE MEASURES? (key performance targets)
<b>Seaview Marina Limited</b> (Formerly named Coulfold Holdings Limited)	This company owns and operates the marina facilities known as the Seaview Marina.	The key objective of this company is: <ul style="list-style-type: none"> <li>• To own and operate a successful marina business</li> <li>• Provide public marine facilities for enjoyment of the community without compromising its commercial objectives and environmental responsibilities.</li> </ul>	<ul style="list-style-type: none"> <li>• Achieve a rate of return on shareholders' funds of 7.5% in the 2005/06, 2007/08 and the 2008/09 financial years</li> <li>• Comply with financial, building, technical and regulatory standards</li> <li>• Ensure property and asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice.</li> </ul>
<b>Hutt Holdings Limited</b> (Formerly named Centre City Plaza Limited)	This company was previously established to own and manage the Centre City buildings prior to their sale in 2002.	This company is non-trading and remains in existence to finalise residual issues arising from the sale of the company's assets (Centre City Plaza) in 2002.	<ul style="list-style-type: none"> <li>• Comply with the performance monitoring requirements under the Local Government Act 2002.</li> </ul>



**ORGANISATION**

**WHY DOES IT EXIST?**

(why we own/control it)

**WHAT DOES IT DO?**

(nature and scope of its activities)

**WHAT ARE ITS PERFORMANCE MEASURES?**

(key performance targets)

**Wellington Water Management Limited (WWML) – (Operating name – Capacity)**

This company manages the water assets and provision of water services to its shareholders (Hutt City Council and Wellington City Council).

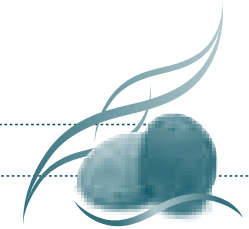
The key objective of this company is to manage and operate the water, stormwater and wastewater and assets of its shareholding councils successfully on a non-profit basis.

Its activities are:

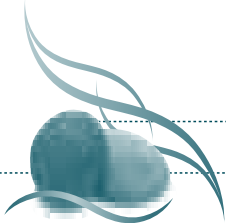
- To provide high quality, safe and environmentally sustainable services to its shareholding councils and other customers
- To ensure that all work is managed for customers in accordance with high standards of health and safety
- To seek opportunities to integrate water, storm-water and wastewater activities in Wellington
- To undertake activities outside of water services on a profitable basis.

- Achieve total overall savings of \$4.175 million to shareholding councils after five years, and \$1.6 million annually thereafter
- Achieve targets within allocated budgets
- Ensure business operation complies with financial, technical and regulatory standards
- Develop asset management plans as required that reflect best practice or meet specific requirements for approval by the appropriate organisation
- Ensure infrastructure asset maintenance is carried out in accordance with asset management plans and to best applicable trade standards and practice
- Meet the performance measures set by shareholders in service contracts or service-level agreements, including managing emergencies.





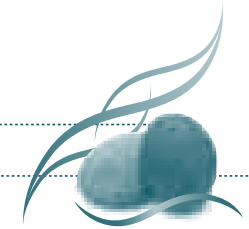
ORGANISATION	WHY DOES IT EXIST? (why we own/control it)	WHAT DOES IT DO? (nature and scope of its activities)	WHAT ARE ITS PERFORMANCE MEASURES? (key performance targets)
<p><b>Wellington Regional Economic Development Trust</b> (operating name Positively Wellington Business (“PWB”))</p>	<p>Council has an economic development strategy that includes encouraging economic activity and co-operation on a “greater Wellington” or regional basis. PWB is a jointly-held CCO (trading as Positively Wellington Business “PWB”) with Wellington, Porirua, and Upper Hutt City Councils, and Kapiti Coast District Council. It was established to ensure the opportunity for co-operation with Government, the private sector and iwi, and with the ability for other territorial local authorities to participate in specific programmes and projects.</p>	<p>The key objective of the Trust is to promote, foster and develop a dynamic and innovative economy in the Wellington region by:</p> <ul style="list-style-type: none"> <li>• Encouraging and assisting in the establishment, retention and development of sustainable, new and existing businesses</li> <li>• Promoting new investments</li> <li>• Developing viable employment opportunities</li> <li>• Marketing business opportunities</li> <li>• Raising funds, and carrying out the objectives of the Trust</li> <li>• Working with local, regional and Central Government and other providers of services within the Wellington region to achieve the objectives</li> <li>• Co-operating with other people or organisations in order to facilitate, promote, achieve, support or maintain the objectives</li> <li>• Doing any other acts, matter or things to advance the objectives.</li> </ul>	<ul style="list-style-type: none"> <li>• Work within and report on the approved Statement of Intent and Strategic Plan</li> <li>• Work within approved budget and Business Plan for the Wellington Region and targeted sectors: <ul style="list-style-type: none"> <li>– Growth in GDP above national average</li> <li>– Growth in GDP per capita above national average</li> <li>– Growth in number of jobs</li> <li>– Growth in number of businesses</li> <li>– Location quotients of targeted sectors above national average</li> <li>– Achieve target ratio of economic impact per \$ spent on programmes.</li> </ul> </li> </ul>



# *Appendices*







## DEFINITIONS

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

### **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.

### **Appropriation/Appropriated**

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

### **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 (see also Ward Committees). Hutt City Council has three Community Boards: Eastbourne, Petone and Wainuiomata.

### **Community Outcome**

An outcome for the community that is identified as a priority.

### **Council-controlled Organisations (CCOs)**

Organisations which independently manage facilities and deliver services and undertake developments on behalf of the Hutt City community. Where necessary, Council funds these organisations.

### **Employee Costs**

Expenditure on staff. This includes wages, salaries and related taxes, training and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading.

### **Financial Year**

Council's Financial Year runs from 1 July to 30 June of the following year.

### **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 The Hutt City Council.

### **Long Term Council Community Plan or Community Plan**

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.

### **Forecast Financial Statement**

This is a ten-year plan for Council's revenue and expenditure, cash flows, and borrowing programme.

### **Maintenance Costs**

Expenditure in relation to repairs and maintenance of Council's assets.

### **Mana Whenua**

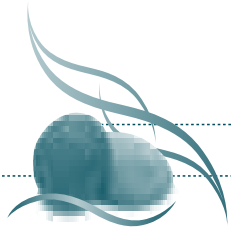
People with the mana of the land.

### **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.

### **Rates**

Funds collected by Council from levies on property. These are based on the capital value of the property but the term is also often used to include Uniform Annual General Charges and Targeted Rates.

### **Te Taura Here o te Te Awakairangi**

The Hutt Valley branch of Runanganui o Taura Here ki te Whanganui a Tara which represents 23 tribal groups in the greater Wellington region.

### **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.

### **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 well-being of the community.

### **Significant Activities**

This plan lists 18 separate significant activities including “Managing Services”.

### **Supplier Costs**

Expenditure for the purchase of general goods and services.

### **Support Costs**

The internal allocation of expenditure incorporated in significant activity 18, “Managing Services”.

### **Taonga**

A highly prized resource.

### **Te Atiawa**

Local tangata whenua with inherited land ownership and kinship to northern Taranaki Te Atiawa.

### **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.

### **User Charges**

Income to Council through fees paid by those who use specific services provided by Council.

### **Ward Committees**

Local committees set up by Council. Ward Committees are consulted by Council and can represent community concerns to Council (see also Community Boards). Hutt City Council has four Ward Committees: Central, Eastern, Northern, and Western.

### **Wellington Tenths Trust Te Atiawa**

Local tangata whenua with inherited land ownership in Wellington and Hutt Valley and kinship to Northern Taranaki Te Atiawa.



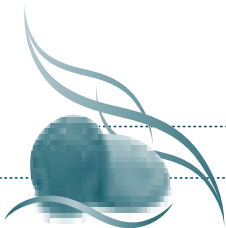
## STATISTICAL INFORMATION

### HUTT CITY – A SUMMARY PROFILE

		Percentage change from 1996
Land area (hectares)	37,998	
<b>2001 Population by Ward (NZ Census 2001)</b>		
Northern	14,805	1.1%
Eastern	16,476	0.0%
Western	11,913	2.3%
Central	18,150	-0.3%
Wainuiomata	17,058	-3.9%
Harbour	17,070	-0.2%
<b>TOTAL POPULATION 2001</b>	<b>95,472</b>	<b>-0.4%</b>
<b>2001 Households by Ward (NZ Census 2001)</b>		
Northern	5,097	2.3%
Eastern	6,066	1.8%
Western	4,200	4.5%
Central	6,957	2.2%
Wainuiomata	5,640	0.0%
Harbour	6,702	0.5%
<b>TOTAL HOUSEHOLDS 2001</b>	<b>34,662</b>	<b>1.7%</b>

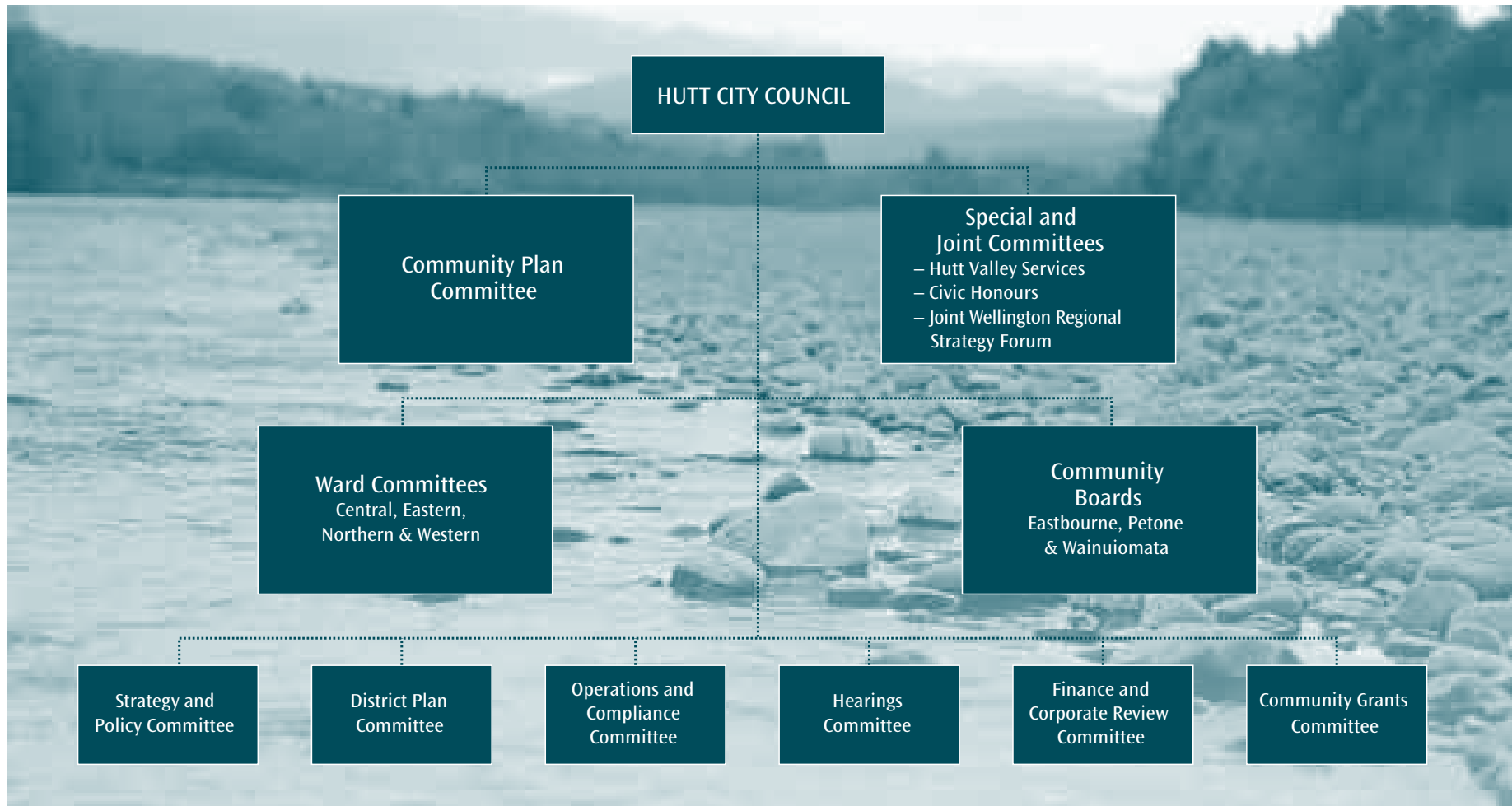
### TOTAL COUNCIL ASSETS (30 June 2005)

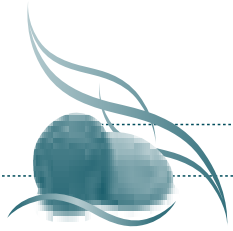
	\$828,867,000
Area of parks and reserves	5,000 hectares
Number of swimming pools	6
Number of libraries	8
Length of roads	475 km
Length of footpaths	588 km
Number of street lights	10,650
Length of wastewater pipes	657 km
Length of stormwater pipes	500 km
Length of water pipes	671 km
Rating system	Capital
Rateable properties	37,421
Average rates per residential ratepayer	\$1,349
Capital value of Hutt City	\$11,481,729,000





POLITICAL STRUCTURE





## MAYOR AND COUNCILLORS



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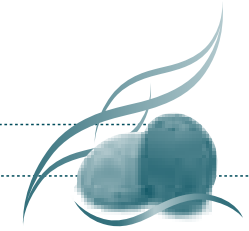
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**Councillor Glenda Barratt (CV)**

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**Councillor Tracey Pollard (I)**

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**Councillor Ross Jamieson JP (I)**

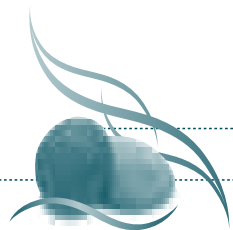
Harbour Ward

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**Councillor Christopher Milne (OCOF)**

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## COMMUNITY BOARD AND WARD COMMITTEE MEMBERS

### Eastbourne Community Board

Mr Geoff Mann (Chair)	568 5573
Mr Ian Young (Deputy Chair)	562 8622
Mr Murray Gibbons	562 8567
Mr Geoff Rashbrooke	568 4988
Mr Derek Wilshere	562 7920

### Wainuiomata Community Board

Ms Julie Sylvester (Chair)	564 3968
Mr Randall Day (Deputy Chair)	972 9996
Mr Darryl Angus	
Mr Alec Gage	564 5802
Mr Reg Moore	971 6872
Mr Kevin Small	564 6841

### Petone Community Board

Mr Richard Cole (Chair)	586 1113
Miss Megan Casey (Deputy Chair)	569 6974
Mr Gerald Davidson	938 3723
Miss Vera Ellen	938 1946
Mr Michael Lulich	568 7597
Mr Neil Newman	939 1133

### Central Ward Committee

Mr Brian Moylan (Chair)	567 9668
Mr Evan Ng (Deputy Chair)	570 1898
Mrs Sue Lafrentz	567 0856
Mrs Desiree Mulligan	938 9525

### Eastern Ward Committee

Miss Sally Fergus (Chair)	566 2902
Mr Gerry Pallo (Deputy Chair)	567 6919
Mr Mohammed Bah	569 8321
Mr Teri Puketapu	566 0809

### Northern Ward Committee

Mr Steve Ritchie (Chair)	938 7223
Mrs Filomena Aukuso (Deputy Chair)	938 3550
Ms Dina Awarau	976 3853
Ms Leigh Sutton	563 5184

### Western Ward Committee

Mrs Jill Berridge (Chair)	566 8781
Mrs Noeline Matthews (Deputy Chair)	569 2551
Mr John McLellan	565 0446
Mr Max Shierlaw	589 3669

## EXECUTIVE MANAGEMENT TEAM



### Front row

**Tony Stallinger, General Manager, Business Services**

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**Stuart Duncan, General Manager Project/Electoral Officer**

DDI: 04 570 6873

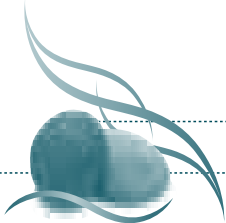
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[www.huttcity.info/community-plan](http://www.huttcity.info/community-plan)