



Community Plan

Vision and Planning



Amended Long Term Council Community Plan 2004/2014
and Annual Plan 2004/05, called the Community Plan.

Planning for Our **2004–2014**
Community, Together
Community Plan

Hutt City Council Long Term Council Community Plan

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Vision for
Hutt City



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COUNCIL SERVICE CENTRES

Eastbourne Community Library and Service Centre

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

Naenae Community Library and Service Centre

Address: Hillary Court,
Naenae
Telephone: (04) 567 2859

Petone Community Library and Service Centre

Address: Britannia Street,
Petone
Telephone: (04) 568 6253

Stokes Valley Community Library and Service Centre

Address: Scott Court,
Stokes Valley
Telephone: (04) 562 9050

Wainuiomata Community Library and Service Centre

Address: Queen Street,
Wainuiomata
Telephone: (04) 564 5822

Vision for Hutt City

A great place to live, work and play.

The Community Plan 2004–2014 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

Hutt City Council Strategic Goals

- A vibrant and diverse city.
- Accessible and high quality leisure activities and facilities.
- A connected, safe and healthy community.

UTILITY SERVICES

Hutt City Council Strategic Goal

- Affordable, sustainable, accessible and high quality services.

ENVIRONMENT

Hutt City Council Strategic Goal

- A clean, healthy, attractive and sustainable environment.

ECONOMY

Hutt City Council Strategic Goal

- A strong, enterprising and diverse economy.

ORGANISATION

Hutt City Council Strategic Goals

- A best practice organisation that provides value for money and prudent management.
- An organisation that values its customers and staff.

Welcome

to Hutt City Council's Amended Long Term Council Community Plan 2004/2014 and Annual Plan 2004/05.

'Amended Long Term Council Community Plan and Annual Plan' is a cumbersome term so from this point on the document you are reading will be referred to as Hutt City's *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 as well as the partnership approach to achieving the Community Outcomes.

This has been a major change to the way Council works and how we think about our planning. 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.

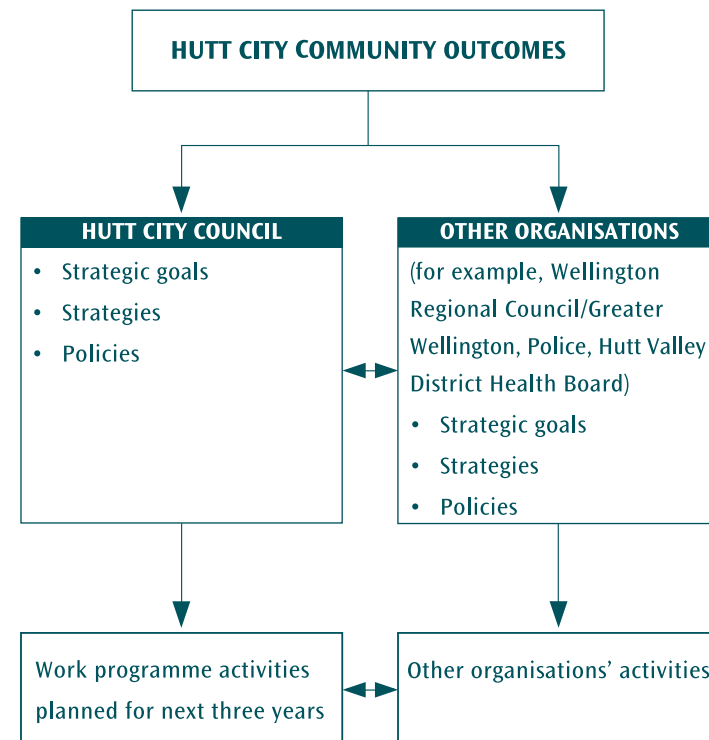
Under the Local Government Act 2002, Hutt City Council is required to produce, once every three years, a Community Plan covering the next 10 years. Council will produce a Plan every year that will provide an update on how the city is progressing and include any changes that may occur along the way.

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 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 2004–2014 Community Plan see page 11.





WHAT IS THE DIFFERENCE BETWEEN THIS YEAR'S COMMUNITY PLAN AND LAST YEAR'S COMMUNITY PLAN?

Amendments have been made to the Community Plan 2004/2014. These include:

- Amendments to the Policy for Rates Remission, Economic Development and the inclusion of an additional Policy on Land Affected by Natural Calamity: refer to 'Policies' pages 210 and 213.

Refinements to the 2004/2014 Long Term Community Plan include:

- The addition of a further year (2014) to the Community Plan: refer to 'Forecast Financial Statements', page 133.
- Changes to the commentary in relation to the Community Outcomes: refer to 'Vision for Hutt City', page 4.
- Revisions to the Significance Policy: refer to 'Policies', page 148.

The 2004/05 Annual Plan differs from information contained in year two of the 2003/2013 Community Plan. The differences include:

5. Changes to certain performance measures for Council's significant activities: refer to 'What is Council Planning for Hutt City?', page 45.
6. Revised capital and operating projects: refer to 'What is Council planning for Hutt City?', from page 45.
7. Increases to certain fees and charges: refer to 'Fees and Charges', page 215.
8. Changes to the Funding Impact Statement for 2004/05: refer to 'Policies', page 200.



From the Mayor

**John Terris QSO JP
Hutt City Mayor**



Flood damage caused by recent flooding



Seaview Wastewater Treatment Plant

FOREWORD TO THE 2004 LTCCP

It's with real pleasure Hutt City Council presents the 2004 Community Plan.

After unprecedented consultation with the community over priorities and our vision for the future, Council has taken important decisions.

The Community Plan presents a strategy for growing the city and creating new opportunities – for young people to prosper here where they grow up, and for industry to continue to provide the economic lifeblood we need to sustain our living standards.

In a nutshell, we have licked the debt that burdened our city's finances, we have dealt with urgent problems, and now we are building for the future.

The biggest challenge the Council faces is to improve the city's image and offer a fresh range of attractions, while improving our infrastructure. Since we are in competition with every other part of the region and indeed the rest of New Zealand, for business investment and population growth, we need to ensure everyone who lives and works here enjoys unique opportunities for recreation and culture as well as economically and socially.

Council has chosen a 'Go for Growth' vision to create an attractive, growing city with a vibrant future. It is important to emphasise that this is not to dispense with our long-held commitment to carefully controlled management of ratepayer resources. The net debt target has been adjusted to \$60 million, still significantly lower than the current net debt level of \$68 million. This debt level allows Council to make significant investments in improvements around the city, while still holding rate increases to 3.9 per cent, including a contribution of 1.5 percent for the cost of the wastewater treatment plant in Seaview.

'Future-proofing' the city requires facilities to attract visitors and Council will commission a 'Come and See' campaign to bring visitors to the city. It requires venues and activities for our young people, and so a Sport Zone will be created at Hutt Park. It will require up-to-date public amenities, and Council has responded with funds to follow the upgrade of our library and Dowse art museum with an upgrade of the rather drab interior of the Town Hall.

Council is looking at options for future development with a study looking into the feasibility of putting a retractable weir on Hutt River and the possibility of a 'Valley Connector' road to reduce congestion across the city and on the Esplanade.

Reflecting this year's floods, the worst in 30 years, and the need to get on top of our infrastructure, very significant investment has been approved for Wainuiomata's stormwater improvements, and major similar expenditure will also be undertaken in Eastbourne and Stokes Valley.

Hutt City needs to work hard to retain and grow the businesses we have and to attract new ones, which is why Council has invested in refurbishment of the central business district, which will help improve linkages between the CBD, Queensgate and the Civic Centre. We have also increased our commitment to the upgrade of suburban shopping centres, beginning this year with a major upgrade in Taita; and we will continue to work in partnership with industry on our economic development strategy.

The pay-off for our investment today is the prospect of a rising population, more jobs, improved housing values in the future.

We need to unleash the city's potential. We have many advantages, and the Community Plan expresses our vision for building on those advantages in a carefully planned and financially prudent manner.

Thank you to all those who participated in the process of updating our Community Plan.

Council received many hundreds of submissions. Public meetings were held, an opinion survey was commissioned and a unique Community Expo provided an opportunity for everyone to come and find out about Council for themselves. Your views are very important to the process of working out Council's priorities, and the plan Council has developed reflects the weight of public opinion.



From the CEO



Welcome to Hutt City Council's 2004/2014 Community Plan. This document will provide you with a clear understanding of Council's spending plans, policies, long term goals and objectives and how they contribute to Community Outcomes.

This year's Community Plan contains some exciting projects with a key focus being to encourage sustainable levels of economic growth. Many ratepayers will remember the huge debt Hutt City had some 10 years ago. Through careful financial management, a programme of asset sales and finding savings and efficiencies in all areas of Council's operations, that debt has been brought under control – even while having to pay for the city's new Seaview Wastewater Treatment Plant.

Following consultation with the public and business, your Council has determined to revise the city's debt target in 2010 from \$45 million to \$60 million. Debt currently stands at \$68 million. No longer targeting significant debt reductions now allows Council to consider some infrastructure improvements to encourage economic growth without having to consider large rate increases. There are also solid intergenerational equity arguments for using debt to pay for key infrastructure projects. It is not fair that one group of ratepayers fund projects that will benefit future ratepayers too.

And following consultation, Council has opted for a Community Plan that aims to encourage economic growth in the city. The average residential rates increase this year

is 3.9 per cent – very close to what was signalled last year and still very favourable when compared with the rate increases signalled by other cities in the region. There should also be no question that Hutt City will continue to manage its finances prudently and maintain the high standards of service you would expect.

In February 2004, Hutt City suffered devastating floods that caused widespread damage and severe hardship to many people. Council's bill for flood damage was approximately \$2 million. There is of course, no way to budget for this sort of event. Council has, however, included a number of projects that will improve the city's Stormwater system.

Community Outcomes

Last year you told us that clean air, water and land should be the city's highest priority, together with the city's other top five Community Outcomes that include:

- A city that is safe, friendly and welcoming
- Access to excellent educational services
- A thriving local economy that is attractive to business and residents
- Access to community facilities that include arts, cultural and recreational options
- A built environment that is attractive, safe and healthy.

Council cannot achieve these Community Outcomes on its own. We work with a number of organisations to achieve these, including Police, Hutt Valley Health and Greater Wellington – The Regional Council.

Business Excellence

For the past few years Council has committed itself to a process of continuous business improvement. This requires Council to submit its systems, policies and processes to independent audit.

In 2002 we won the Local Government category of the Business Excellence Awards. Last year we stepped up to the more rigorous assessment of the Business Excellence Foundation and earned a Progress Award. We are committed to an ongoing process of improving the way we do business and entered again this year.

Awards such as these, with their independent assessments, are valuable because they give residents and businesses a degree of assurance that our processes and internal systems are meeting best practice goals. In everything we do, we try to 'Do the right thing for Hutt City.'

Rik Hart

**Chief Executive Officer
Hutt City Council**

Planning for Our Community Together

WHAT IS A COMMUNITY OUTCOME?

This is an Outcome that Hutt City residents have decided is a priority for the social, economic, environmental and cultural well-being of the community – now and in the future (refer to page 12).

How were the Community Outcomes for 2004–2014 decided?

Hutt City's Community Outcomes were developed following extensive research and consultation with many community groups, organisations and individuals.

Comprehensive research was carried out in 2002 in preparation for Hutt City's first Draft Community Plan. This included discussion with residents and special interest groups. Council believed that this approach (as opposed to a written or verbal survey) gave members of the community an opportunity to talk about the Outcomes and priorities in depth, and then provide detailed feedback.

Council also included a questionnaire in its monthly *Hutt News* supplement, 'Hutt on the Edge'. This asked residents to rank the Outcomes they considered most important.

How did the discussion groups decide what was most important?

The discussion groups evaluated a list of potential Community Outcomes that could set the direction for Hutt City for the next 10 years. The initial Outcomes were based on Council employees' understanding of what the community might want for a sustainable future. Research participants were then given the opportunity to list their own Outcomes.

It is important to note that while the initial suggestions came from Council, the Community Outcomes detailed in this document were developed by Hutt City residents and members of special interest groups.

During the research process participants:

- Identified the community's vision for Hutt City in 10 years' time
- Added further desired Outcomes and eliminated undesirable Outcomes from the list suggested by Council
- Prioritised the valued Community Outcomes
- Looked at the public's perception of Council's involvement in achieving the Community Outcomes and the types of activities to be undertaken by Council. This issue was examined because Community Outcomes such as health and education are not part of Council's core activities
- Explored public perception of how the achievement of these Outcomes may be measured and monitored over time.

What is the relationship between Community Outcomes and Council's Vision for Hutt City?

See page 12 for an outline of Hutt City's Community Outcomes. For an explanation of Council's Vision for Hutt City refer to page 4.

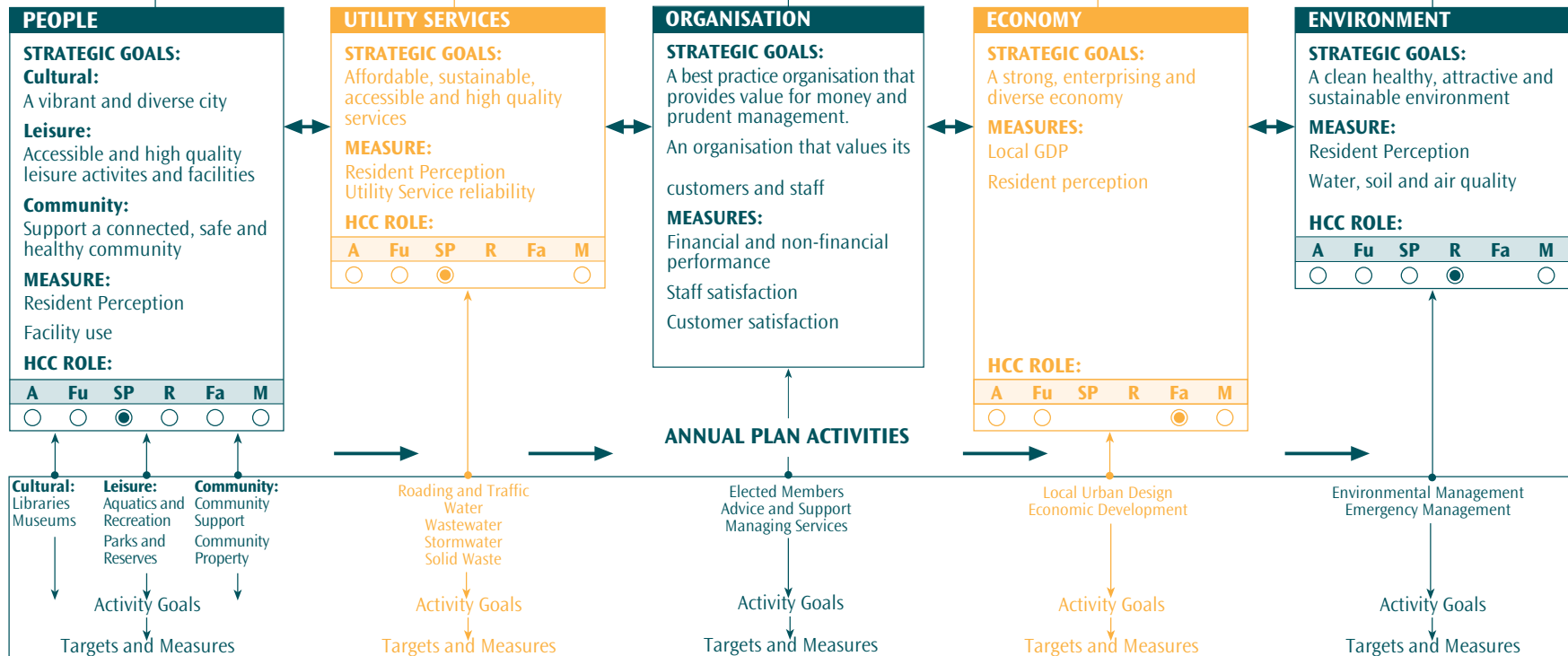
Ten Community Outcomes have been identified as being most important to the Hutt City community for the next 10 years. Council's Vision outlines what Council will do to help achieve these. Council is not solely responsible for the delivery of the Community Outcomes. Rather, it will work with the community, 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.

COMMUNITY OUTCOMES

1. Clean air, water and land
2. Everyone has affordable access to services that improve health
3. A city that is safe, friendly and welcoming, where people experience a sense of belonging
4. Everyone has affordable access to excellent educational services
5. Everyone has a quality standard of affordable housing
6. A local economy that is attractive to both business and residents
7. Affordable access to community facilities that include arts, cultural and recreational options
8. A diverse natural environment that is accessible, enjoyable and safe
9. A healthy balance between natural and built environments
10. A built environment that is attractive, safe and healthy

KEY	
A	Advocate
Fu	Funder
SP	Service Provider
R	Regulator
Fa	Facilitator
M	Monitor
<input checked="" type="radio"/>	Primary Role

HUTT CITY COUNCIL STRATEGIC GOALS





Statement of Cooperation

Council is committed to working with other local authorities 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 cooperate 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 was finalised in September last year. The parties to the agreement have committed to working for the good governance of their city, district or region by acting cooperatively and collaboratively. It is intended that this agreement will ensure that appropriate levels of consultation and coordination 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:

Regionally:

- Joint funder of the regional economic development agency Positive Wellington Business, from which councils in the Wellington region receive services.

With Wellington City Council:

- Establishment of the Water Management Unit, Capacity.
- Investigating options for shared library services.

With Upper Hutt City Council:

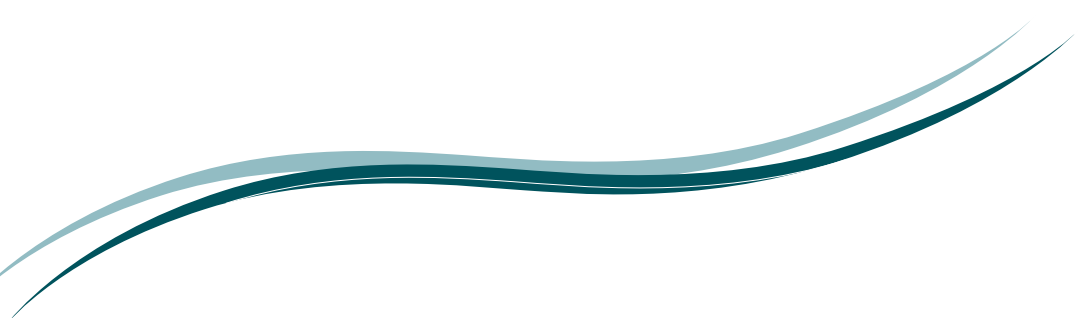
- Combined whole of valley wastewater treatment and disposal.
- Combined boundary bridge (Silverstream Road Bridge over the Hutt River).
- Whole of valley access to landfill owned and operated by Hutt City Council.

With the recent establishment of the Wellington Regional Strategy Forum (a joint committee of Wellington, Hutt, Porirua, and Upper Hutt City Councils, Kapiti Coast District Council and Greater Wellington – The Regional Council), which has the goal of building an internationally competitive Wellington Region by developing and implementing a vision and an integrated framework to achieve sustainable growth, it is anticipated there will be greater regional cooperation in the future.

Community Outcomes for 2004–2014

COMMUNITY OUTCOME	CLEAN AIR, WATER AND LAND
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Ensure that the quality of air, water and soil is kept within acceptable levels in the district. • Monitor emissions, hazardous waste and other materials that cause damage to the environment through regulation and enforcement. • Educate the community about ways of ensuring the environment they live in is kept clean and healthy.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • District Plan • Waste Management Strategies <p>An Example: WREA – Wellington Region Environmental Agency This group has existed for about 30 years and has mainly had a Wellington region solid waste focus. Its membership includes at least one staff member and one elected member from all councils within the Wellington region. In recent years the Agency has taken over responsibility for 'Enviromart' – a service that assists businesses in the Wellington region find markets for unwanted materials, thereby reducing or eliminating waste disposal costs and reducing New Zealand's energy consumption.</p>
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<ul style="list-style-type: none"> • Air quality (24 hour average PM10 Concentration). Measure against national guideline of 50 µg/m³. • Water quality (Macroinvertebrate Index (MCI)). MCI > 120 indicates clean water; 100–119 indicates moderate enrichment; 80–99 indicates probable moderate pollution; <80 indicates probable severe pollution. • Soil Quality – Under development by Environmental Policy and Approvals Division.

COMMUNITY OUTCOME		EVERYONE HAS AFFORDABLE ACCESS TO SERVICES THAT IMPROVE HEALTH
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> Facilitate and coordinate with community and government agencies to plan and advocate for the wellness and health of the population in Hutt City. Provide regulatory health services and public health infrastructure to the city. 	
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> Facilitation and collaboration with central government and community organisations eg Pacific Island Health Day. Statutory roles eg Environmental Health, Building, Liquor Licensing, Trade Waste licensing and enforcement, Civil Defence incident management and recovery. Citywide sanitary and public health engineering works (roads, walkways, sewerage, drinking water, street cleaning, waste management). Programme Coordination eg Road Safety, Environmental Education, Youth Mental Health, Healthy Cities. Provision of a range of facilities and programmes that improve health eg Swimming Pools, Social Housing, Leisure Active, Sports Grounds. Advocating for sectors of the community on health issues. <p>An Example: Hutt Valley District Health Board Council has undertaken a number of projects in collaboration with the District Health Board to improve access to health services in Hutt City. One of these involved facilitating public meetings for the District Health Board in the initial stages of public consultation over the creation of Primary Health Organisations in the valley. Issues highlighted by the community were presented to the District Health Board. Monitoring of progress is continuing.</p>	
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<p>Indicators that we can measure</p> <ul style="list-style-type: none"> Percentage of population currently enrolled with Hutt City PHO(s). Number of FTE GPs in Hutt City. The number of available publicly funded beds for the elderly. <p>Indicators that we would like to measure</p> <ul style="list-style-type: none"> Number of school health visits carried out each year by school nurses. Number of preventable (total/via primary care) hospital admissions per year (young, old, men, women, Maori, Pacific, Asian, European). Number of notifiable disease cases per year. 	

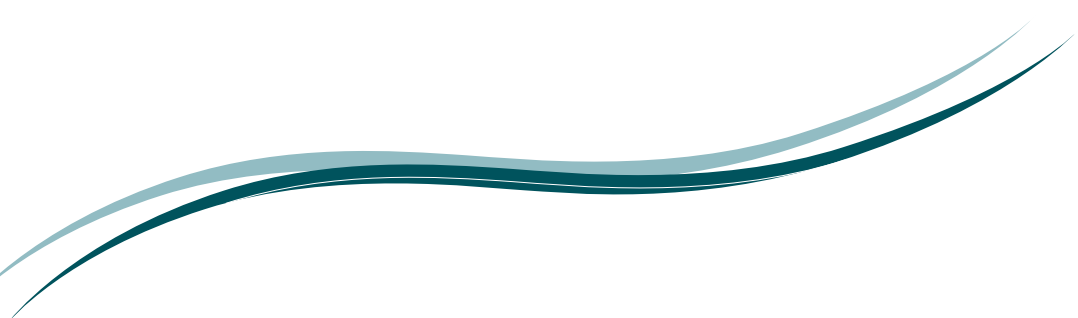


COMMUNITY OUTCOME	
A CITY THAT IS SAFE, FRIENDLY AND WELCOMING, WHERE PEOPLE EXPERIENCE A SENSE OF BELONGING	
<p>Council’s Role/Outcome What is Council’s role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Support and encourage the ongoing development of the distinctive communities of the city. • Promote the health and safety of the community by supporting community groups and organisations in the city. • Facilitate and promote activities that support the city as a safe, friendly and welcoming place. • Facilitate and promote activities where people experience a sense of belonging. • Promote safety initiatives. • Reduce the trend in traffic accidents around the city.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • Community Assistance Framework. • Youth Strategy. • Visitor Strategy. • Economic Development Strategy. • Road Safety Strategy. • Liaise with Police, Ministry of Social Development, District Health Board. • Safety Initiatives, e.g. CCTV cameras, security patrols. • Dog Control. • Liquor licensing. • Environmental health and safety. • By-law enforcement. • Support and funding for community groups. <p>An Example: City Safety and Crime Prevention Hutt City Council plays a significant role in the safety of its residents and visitors both now and in the future. Currently Council commits \$200,000 annually to safe city initiatives, including city patrols, CCTV coverage and support for the Safer Community Action Network. Strong relationships and multi-agency projects with the Police, ACC, Ministry of Social Development, Occupational Safety and Health and District Health Board ensure a coordinated and enduring approach to crime reduction activities and safety plans.</p>

COMMUNITY OUTCOME**A CITY THAT IS SAFE, FRIENDLY AND WELCOMING, WHERE PEOPLE EXPERIENCE A SENSE OF BELONGING****Key indicators**

Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.

- The percentage of residents who feel safe in the city in general.
- The percentage of residents who feel safe in the central city.
- The percentage of residents who think that the community works together and people support each other.
- The percentage of residents who believe that increasing diversity in the city is a positive factor.
- The number of crimes recorded in Hutt City.
- Total number of crimes recorded in Hutt City (in the areas of Violence, Sexual Offences, Drugs & Antisocial, Dishonesty, Property Damage, Property Abuses, Administrative).
- Total number of ACC claims in Hutt City – specifically, entitlement claim rate per 100,000 population broken down by work, home, sports/recreation, home/community, other. Source is ACC Scheme Analysis, Scheme Performance Division.
- Alcohol monitoring – Last Drinks Survey.
- Employment/welfare statistics.
- Census/Deprivation index.



COMMUNITY OUTCOME	
EVERYONE HAS AFFORDABLE ACCESS TO EXCELLENT EDUCATIONAL SERVICES	
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Facilitate and coordinate with various community and government agencies to plan and advocate for skill development in the workforce. • Provide community education. • Support individual learning, fund homework centres (numeracy and literacy). • Fulfil support role in formal education process (e.g. scholarships).
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • Economic Development Strategy Outcome 4 – An available skilled workforce. • Libraries and Museums – Recreation, heritage, education, community identity, pre-school programmes, school classes, secondary school visits. • Libraries – Assistance to tertiary students, learning centre functions/resources, affordable access to internet/ PCs etc. • Civil Defence – Educating the community about 'being prepared' etc. • Sports and education – Leisure Active educational and sporting programmes. • Environmental educational programme. • Community education programmes and seminars. <p>An Example: Job Track In late 2003 Council entered into a contract with the Ministry of Social Development to provide a 'Job Track' service. At present, once a person leaves school there is no system that keeps track of them until they turn 18 and register for the Unemployment Benefit, if they are without a job.</p> <p>The Job Track Coordinator will act as a mentor and advocate for these young people, assisting them to identify what career path they wish to pursue and helping them to access appropriate information, training and/or a job placement. If barriers are identified, the Coordinator will have the ability to act as a facilitator between the agencies involved, to break down those barriers. In this respect having a good working relationship with Ministry of Social Development Youth Case Managers will be a key aspect for the Coordinator. The ability for the Coordinator to establish good working relationships with schools in Hutt City and the various agencies involved with the provision of employment and training services will also be vital.</p> <p>This contract will be reviewed in September 2004. Based on the results achieved, the decision on whether to continue the service will be made by the Ministry of Social Development.</p>

COMMUNITY OUTCOME**EVERYONE HAS AFFORDABLE ACCESS TO EXCELLENT EDUCATIONAL SERVICES****Key indicators**

Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.

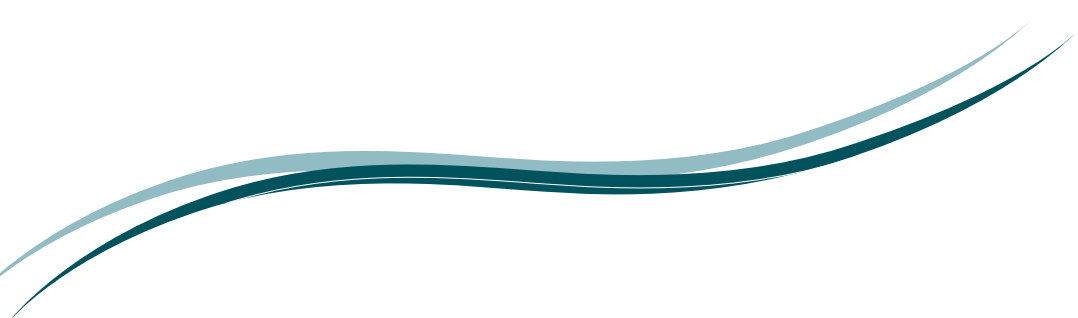
Hutt City figures compared with the national average:

Early Childhood Education

- Percentage of 3–5 year olds enrolled in public early childhood education.
- Percentage of 3–5 year olds enrolled in kohanga reos.
- Percentage of 3–5 year olds enrolled in Pacific Language nests.

Secondary Schools

- Percentage of school leavers who leave school without a qualification.
- Percentage of students with a qualification enrolling in tertiary institutions.



COMMUNITY OUTCOME	
EVERYONE HAS A QUALITY STANDARD OF AFFORDABLE HOUSING	
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Provide social housing for the elderly and socially disadvantaged. • Through its regulatory activities ensure housing standards are maintained. • Build relationships with relevant agencies to ensure that everyone in Hutt City has a quality standard of affordable housing.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • Provision of some social housing for the elderly and socially disadvantaged. • Ensure through regulatory activities and inspections, that standards of housing are maintained. <p>An Example: Healthy Housing Index Pilot Council is involved with a Healthy Housing Index project which is about to be piloted in Hutt City. The intention of the pilot study is to:</p> <ul style="list-style-type: none"> • Contribute directly to the creation of a national Healthy Housing Index • Identify the most effective methods for the creation of a national Healthy Housing Index, and • Identify housing and health issues in Hutt City. <p>The pilot is being developed by the 'Health and Housing Group, He Kainga Oranga', which is a group of researchers from a range of organisations based at the Wellington School of Medicine, including the Building Research Association of New Zealand (BRANZ) and the Centre for Research Evaluation and Social Assessment (CRESA). A large number of other organisations are also involved including Hutt City Council, Hutt Valley District Health Board, Regional Public Health, Tukohi, Housing Corporation New Zealand, Building Industry Association, Statistics New Zealand, Standards New Zealand, Victoria University of Wellington, ACC and the Ministry of Health.</p> <p>The Healthy Housing Index will be an indicator of the physical condition of housing with reference to health, which will be established in the pilot study through an investigation of housing conditions and the related health of occupants. The most reliable method of surveying and calculating the Index will be investigated in the pilot study. Methods for validating the index will also be piloted. At a later stage it will be used to answer research questions on housing and health.</p>

COMMUNITY OUTCOME

EVERYONE HAS A QUALITY STANDARD OF AFFORDABLE HOUSING

Key indicators

Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.

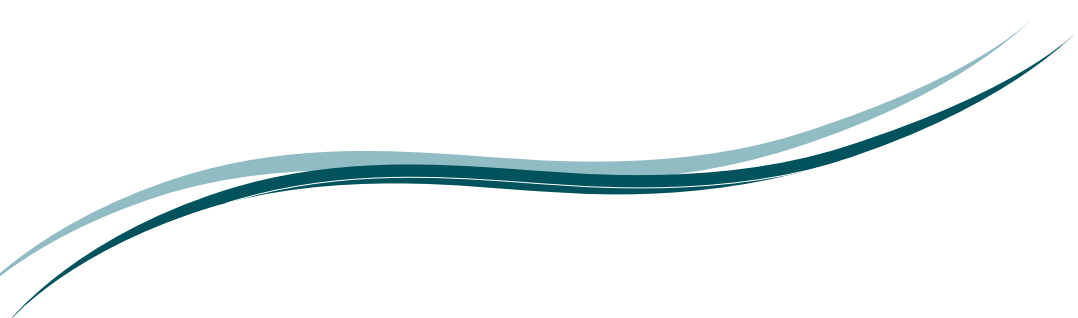
Indicators must address both quality and affordability aspects of the Outcome.

Affordability

- Median house prices in the city relative to median income.
- Waiting list numbers for HCNZ/HCC accommodation.
- Median rental price of accommodation as a percentage of average income.

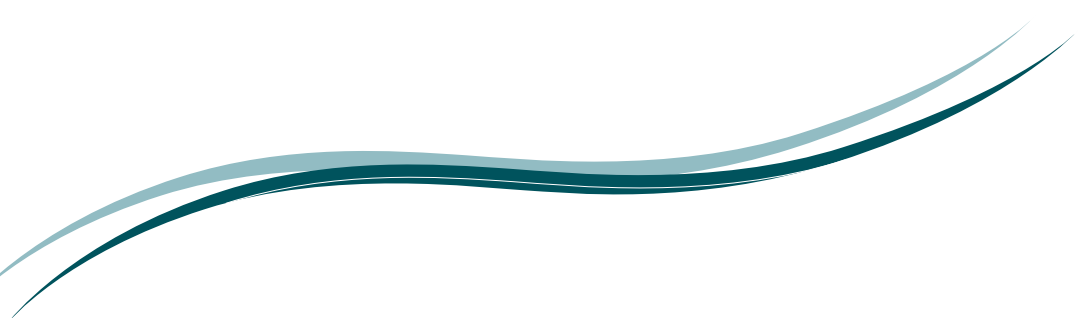
Quality

- Number of complaints received by Council regarding poor standard accommodation.
- Percentage of residents who think there is sufficient access to affordable and quality housing in Hutt City (two new survey questions in the Communitrak survey).
- Statistics NZ is currently developing a Housing Statistics Strategy, which will include housing adequacy measures.



COMMUNITY OUTCOME		A LOCAL ECONOMY THAT IS ATTRACTIVE TO BOTH BUSINESS AND RESIDENTS
<p>Council’s Role/Outcome What is Council’s role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Provide quality infrastructure and facilities that will attract and retain people and business. • Provide a town-planning environment that will facilitate growth. • Coordinate efficient transport networks in the city. • Promote Hutt City. • Implement the Economic Development Strategy to achieve economic growth in the city. 	
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • Economic Development Strategy • Visitor Strategy • District Plan • Local Urban Design and Economic Development activities set out in the Community Plan. <p>An Example: SmartLinx3 SmartLinx3 is a three-city initiative involving Hutt City, Upper Hutt and Porirua businesses, and is aimed at providing accessible, competitively priced broadband services for local businesses and communities. Hutt City Council’s involvement has been as a supporter of this business-led initiative and as a cornerstone investor in its establishment.</p> <p>A survey of nearly 2000 businesses across the three cities clearly showed that access to, and availability of, broadband services are becoming increasingly important. As businesses expand, their telecommunications needs become more sophisticated and demanding. The network will most likely use wireless technology initially, but expansion will also take advantage of existing infrastructure and other technologies as demand for and provision of the services increase. One of the basic tenets is that this service will be owned and operated for the benefit of local businesses and communities while providing a high quality, reasonably priced broadband service based on sound commercial practice.</p> <p>An open network with competing services, the SmartLinx3 network is intended to provide access to affordable broadband and other telecommunications services, benefiting businesses and local communities in Hutt City, Porirua and Upper Hutt.</p>	
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<ul style="list-style-type: none"> • Ratio of registered unemployed to total working age population in Hutt City. • The number of businesses in Hutt City. • The number of jobs (in terms of percentage change). • The amount of new commercial building investment in Hutt City. 	

COMMUNITY OUTCOME	AFFORDABLE ACCESS TO COMMUNITY FACILITIES THAT INCLUDE ARTS, CULTURAL AND RECREATIONAL OPTIONS
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Provide community facilities to enable community groups to help support the activities of their community. • Advocate for and coordinate with other agencies in providing facilities that support our community. • Provide access to resources and services through the city's libraries and museums.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • Arts and Culture Policy <p>An example: Governance Group This Group was established in 2003 as a result of central government's desire to develop a 'whole of government' approach to the provision of services within the Hutt Valley. Its membership comprises representatives from Hutt City Council, Upper Hutt City Council, government departments and other government funded agencies that provide services to the Hutt Valley. The purpose of the Group is to improve the overall coordination, policies and programmes of its members, to enhance the well-being of the Hutt Valley.</p> <p>Given that the Group was formally created in late 2003, the benefits expected from the creation of this Group will start to occur during 2004.</p>
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<ul style="list-style-type: none"> • Percentage of residents who use pools. • Percentage of residents who use libraries. • Percentage of residents who use sports grounds. • Annual number of museum visits.



COMMUNITY OUTCOME	A DIVERSE NATURAL ENVIRONMENT THAT IS ACCESSIBLE, ENJOYABLE AND SAFE
<p>Council’s Role/Outcome What is Council’s role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Advocate for and coordinate with other agencies in providing facilities that support the sustainable use of the city’s natural environment. • Promote and provide facilities that support the sustainable use of the city’s natural environment.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • District Plan. • Reserves Management Plan. • Parks & Reserves Management Plan.
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<ul style="list-style-type: none"> • The percentage of residents who are satisfied with the city’s parks, reserves and gardens.

COMMUNITY OUTCOME	A HEALTHY BALANCE BETWEEN NATURAL AND BUILT ENVIRONMENTS
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Provide planning processes that support a balanced approach to the utilisation of our natural environment.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • District Plan. <p>An Example: BusinessCare business sustainability programme In 1996 Council was asked to facilitate the establishment of the Hutt Valley Industry Environmental Network. Through this process the Network found that businesses were unable to progress towards business sustainability as individual companies. The networking was helpful, but it was felt there was a need to implement a programme.</p> <p>Council staff then attended a national cleaner production programme geared to suit New Zealand businesses. The BusinessCare programme is now in the process of being implemented in Hutt City. Most of the funding for programme delivery has come from landfill charges.</p>
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<ul style="list-style-type: none"> • Percentage of open space to built up space.

COMMUNITY OUTCOME	A BUILT ENVIRONMENT THAT IS ATTRACTIVE, SAFE AND HEALTHY
<p>Council's Role/Outcome What is Council's role in achieving this Outcome? Note: Council may have more than one role.</p>	<ul style="list-style-type: none"> • Support the vision of the city by long term and integrated policy development and planning. • Ensure the sustainable provision and management of infrastructure services.
<p>Current policies/activities Summary of the activities that Council currently undertakes that contribute to the achievement of the Outcome.</p>	<ul style="list-style-type: none"> • District Plan. <p>An Example: Keep Hutt City Beautiful Keep Hutt City Beautiful was established in 1991. Generally its members represent specific organisations from all geographic areas of Hutt City. Business groups such as CBD+ and Environmental groups such as Forest & Bird are also invited to be represented. The group has undertaken a wide range of projects. Current topics of interest to the group include managing graffiti, dog poo and cigarette butts. In addition, each representative organisation runs its own projects, programmes and activities. For example, Keep Petone Beautiful has for many years run the 'Gift of Green', giving a tree to acknowledge the birth of a baby living in Petone.</p>
<p>Key indicators Key indicators that demonstrate progress made in achieving the Outcome. Note: there may be a series of desired indicators, only a few of which will be included in the Community Plan.</p>	<ul style="list-style-type: none"> • The percentage of residents who think that the city's built environment is attractive, safe and healthy (new survey question).

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 prompted 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 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, an initiative driven principally by community and church groups, provides a set of community values that the city, as a whole, can aspire to.

OUR COMMUNITY VALUES

- Together we can make a difference
- There is a place for everyone in this city.

Our city has what it takes to:

- Turn helplessness into hope
- Make lonely people feel they belong
- Turn indifference into responsibility
- Turn self-centredness into mutual support
- Build a safer city.

FOR THE COMMUNITY TO ACHIEVE THE VALUES:

- We will endeavour to gain the support of our community leaders in modelling and promoting community values
- We will learn how values are built into the lives of individuals and adopt community values that apply to each sector within our community
- We will strive to establish a community culture that encourages, recognises and rewards those who promote community values
- We will evaluate the decisions, policies and by-laws of our city on the basis of whether they promote positive values or negative ones
- We will assess all our activities on a regular basis to ensure we are making progress toward our goal of becoming a city known for the community values of its citizens.

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.



Statement of
Commitments



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

Your Role

Council is accountable to you, its residents. So we need you to check the actions of Council. 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

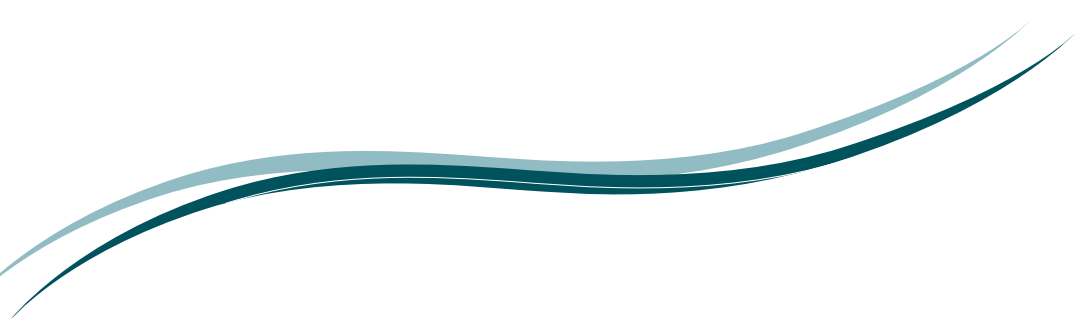
Hutt City Council is committed to ensuring the city's environment is clean, healthy, attractive and sustainable. Council's commitment to the environment embraces the environmental outcomes that the city's residents identified as essential.

Council has a number of citywide 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 the delivery of Council's services 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.

Recycling and Waste

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.

Urban Environmental Enhancement

Further physical enhancements are planned for the inner city and suburban areas. The focus will be on creating 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.

Environmental Education

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.

There are ongoing programmes and projects designed to raise awareness of environmental issues within a specific context. Council supports programmes, projects and campaigns such as the BusinessCare business sustainability programme and the Reduce Your Waste campaign. Council supports and undertakes environmental projects in conjunction with schools and environmental groups.

Council provides coordination 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, Dog Litter in Public Places, and Sustainable Households. Other projects have also been undertaken, including the Seaweed beach clean-up and the Tidiest Street competition. The 'Environmental Education' group also undertakes the citywide clean-up during Keep Hutt City Beautiful/Clean Up New Zealand week.

COMMITMENT TO THE TREATY OF WAITANGI – TE TIRITI O WAITANGI

Council has an obligation to take into account 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 Tekua O Poneke – the Wellington Tenth Trust. Council also recognises the Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui. 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 the 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
- 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 the Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui, the Wellington Tenth Trust, the Runanganui o Taura Here ki Rimutaka and Hutt City Marae
- Ensure that all parties are kept informed of Council’s developments and are given the opportunity to take part in Council’s affairs.

Joint Initiatives

Te Whiti Park is jointly managed by the 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

‘We take pride in helping you’

Because we believe Hutt City is a great place to live, work and play, we take great pride in providing high-quality services and helping you in any way we can. Our vision for our customers is best value, best service, and to prove we do live up to the high standards we set ourselves. In 2002 Hutt City Council was judged winner of the local government section of the New Zealand Performance Excellence Awards.

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 relationships with our customers. We will listen more to our customers (that’s you) and their needs. We will find out what is important and what customers value, and take these factors into account when delivering our services. Our aim is not just to provide customer service, but to provide customer service with passion.

Customer Strategy

- Treat customers right
- Provide exceptional service and value for money
- Involve and inform customers
- Listen to and learn from our customers
- Be the first point of contact resolution.

Quality Service

Quality initiatives will include internal monitoring, coaching, customer surveys (including annual surveys on resident satisfaction with Council services) and benchmarking to ensure best practice. Council’s aim is to encourage a culture where by working as a team, we gain great satisfaction from looking after our customers and putting them first.

Council recognises the importance of customer feedback as a critical element in making decisions regarding service delivery. We conduct regular surveys which measure customer satisfaction with the handling of requests for services and help us to learn customers’ needs, wants and expectations so that in the end we can design a system which will ensure all requests for service are dealt with in a satisfactory manner.

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:

- Do it right the first time, on time, every time
- Make realistic promises and keep them
- Measure ourselves against the best and go the extra mile
- Be knowledgeable, accurate and informative
- Be interested, fair, professional and friendly
- Be easy to contact
- 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 have 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 will be reported quarterly at an organisational level to the senior management teams. The health and safety system and processes will be 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

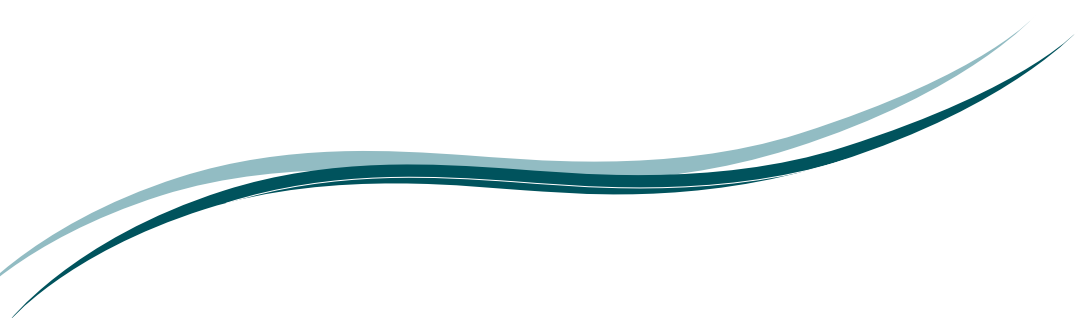
Council has a number of policies and processes aimed at facilitating employee well-being. These include:

- 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
- Smokefree Environment 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.

Staff Satisfaction

Senior management receive 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 will be monitored centrally by the human resources adviser and reported to the Good Employer Team.



Senior management maintain an open door policy, so that any staff member can address the Executive Management Team on any issue of concern at their weekly 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 rewards performance over and above the requirements described in the staff member's job description. It is aimed at the top 40% of performers. In addition, a bonus pool is split to differentiate between those staff who far exceed expectations and those who perform well.

The system involves the setting of objectives for the year, the 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 staff 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 new team bonus has also been introduced, 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 persons
- Ensure that no preference or 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 skill 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 2004/2005

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 2004/2005.

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 only adjustment that has been made to the differential factors and categories used last year, is that the **Business Eastbourne** differential category factor has been further increased from 2.80 to 3.30, for the reasons set out in the Revenue and Financing Policy.

3. SCHEDULE OF RATES FOR 2004/2005

(A) Water Supply Rate

Type: Targeted Rate

Rating Factor: Separately used or inhabited part of a rating unit

The charges for the 2004/5 rating year are as follows:

Category	Charge
Connected	\$262 per part
Serviceable but not Connected	\$131 per part

(B) Wastewater Rate

Type: Targeted Rate

Rating Factor: Number of Water Closets or urinals

The charges for the 2004/5 rating year are as follows:

Category	Charge
First WC or urinal per rating unit	\$320
Second and each subsequent WC or urinal per rating unit	\$160 each

(C) Jackson Street Programme Rate

Type: Targeted Rate

Rating Factor: Capital Value

The charge for the 2004/5 rating year is as follows:

Category	Rate
Rating units in any Business category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street	0.14960 cents per \$ of Capital Value

(D) **General Rate**

Type: General Rate

Rating Factor: Capital Value

The differential categories and charges for the 2004/5 rating year are as follows:

Category	Ratio	Charge per \$ of Capital Value
Residential (RE)	1.00	0.43010 cents
Rural (RU)	0.65	0.27960 cents
Business Accommodation (BA)	3.00	1.29020 cents
Business Central (BC)	4.80	2.06440 cents
Business Queensgate (BQ)	4.80	2.06440 cents
Business Eastbourne (BE)	3.30	1.41930 cents
Business Suburban (BS)	4.00	1.72030 cents
Utility Networks (UN)	2.50	1.07520 cents
Community Facilities 1 (CF1)	1.00	0.43010 cents
Community Facilities 2 (CF2)	0.50	0.21500 cents
Community Facilities 3 (CF3)	2.50	1.07520 cents

4. SUMMARY OF REVENUE REQUIRED FROM RATES

Rate	Amount (Inclusive of GST) (\$000)	Amount (Exclusive of GST) (\$000)
General Rate	53,636	47,676
Targeted Rates:		
Water Supply	10,277	9,135
Wastewater	13,073	11,621
Jackson Street	90	80
Total Revenue	\$77,076	\$68,512

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

5. SUMMARY OF REVENUE REQUIRED BY DIFFERENTIAL GROUP

Differential Group	Rates 2004/05 (\$000)	Total Rates by Category (\$000)	Proportion Of Total Rates %
Residential		47,598	61.76%
Rural		393	0.51%
Utility Networks		4,047	5.25%
Business:			
Accommodation	590		
Central	5,495		
Queensgate	1,596		
Eastbourne	140		
Suburban	16,605	24,426	31.69%
Community Facilities:			
1	391		
2	113		
3	108	612	0.79%
Total Rates Levied		\$77,076	100.00%

6. EXAMPLES OF RATES ON A RANGE OF TYPICAL PROPERTIES

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

Category	Capital Value	No. of Pans/ Units	HCC Rates 2003/4	Rates 2004/5		
				HCC Amount	HCC Amount	Change %
	\$		\$	\$	\$	%
Residential (Average)	181,000	1	1,310	1,360	50	3.9%
Residential	100,000	1	982	1,012	30	3.0%
Residential	300,000	1	1,791	1,872	81	4.6%
Residential	2,000,000	6	9,442	9,984	542	5.7%
Rural (With Services)	280,000	1	1,314	1,365	51	3.9%
Rural (Average)	280,000	0	736	783	47	6.4%
Bus. Accommodation	1,060,000	16	15,771	16,658	887	5.6%
Utility Networks	40,445,000	0	408,656	434,865	26,209	6.4%
Business Central/Q'gate	21,450,000	18	419,339	446,116	26,777	6.4%
Business Eastbourne	1,250,000	1	14,723	18,323	3,600	24.5%
Business Eastbourne	270,000	5	4,257	5,054	797	18.7%
Business Suburban	220,000	1	4,135	4,367	232	5.6%
Business Suburban – JSP	150,000	1	3,230	3,387	157	4.9%
Community Facilities 1	210,000	2	1,158	1,194	36	3.0%
Community Facilities 1 Church		2	734	742	8	1.1%
Community Facilities 2	321,000	5	1,851	1,912	61	3.3%
Community Facilities 3	4,100,000	17	44,500	47,225	2,725	6.1%
Community Facilities 3	1,100,000	1	11,692	12,409	717	6.1%
Community Facilities 3	770,000	5	8,982	9,501	519	5.8%

7. RATES INSTALMENT DETAILS

The amount of the annual rates payable on each rating unit is payable by six equal instalments by the following dates:

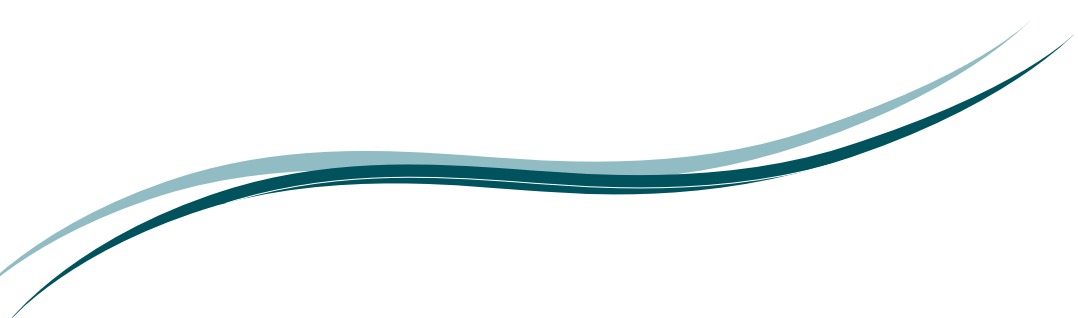
Instalment No.	Due Date
One	20 August
Two	20 October
Three	20 December
Four	20 February
Five	20 April
Six	20 June

Where the annual rates are not able to be set in time for the first instalment, the first instalment will be calculated and charged as one sixth of the previous year's rates. The remaining five instalments will then be calculated as each being one fifth of the amount of the annual rates, after deducting the amount of instalment one.

8. PENALTIES ON UNPAID RATES

If the rates instalment amount is not paid by the due date then the following penalty charges will be incurred:

- After the due date shown for each instalment, a penalty charge of 10% of the amount remaining unpaid for that instalment will be added to the rates 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:

- (a) 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
- (b) Where any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year.



Strategic Measures

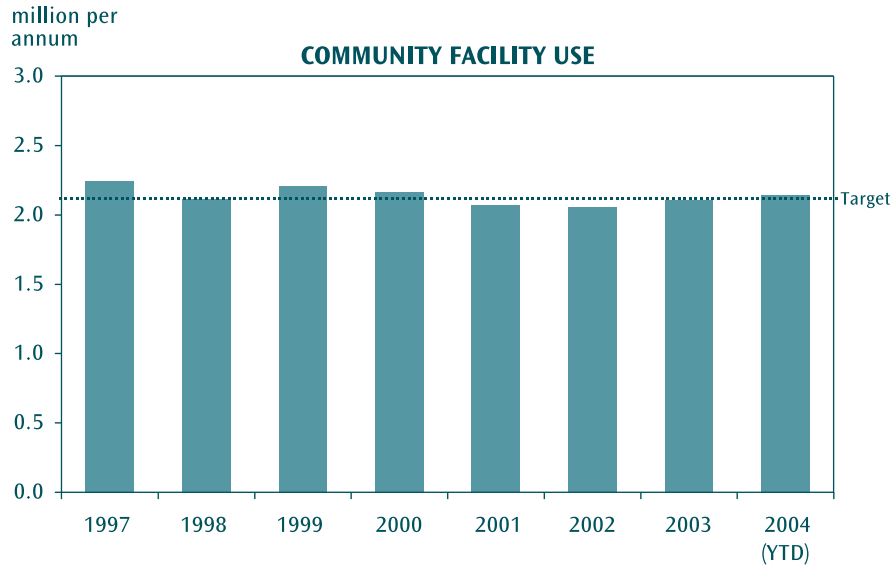
Summary of Strategic Measures

STRATEGIC MEASURES

The diagram on page 12 identifies Council’s strategic goals and how these relate to achieving Community Outcomes. The diagram also lists the measures Council will use to indicate whether its strategic goals have been achieved. This section of the

Community Plan provides historical and forecast information, targets and benchmarks in relation to those measures. As some of these measures are new, in some instances the information is incomplete.

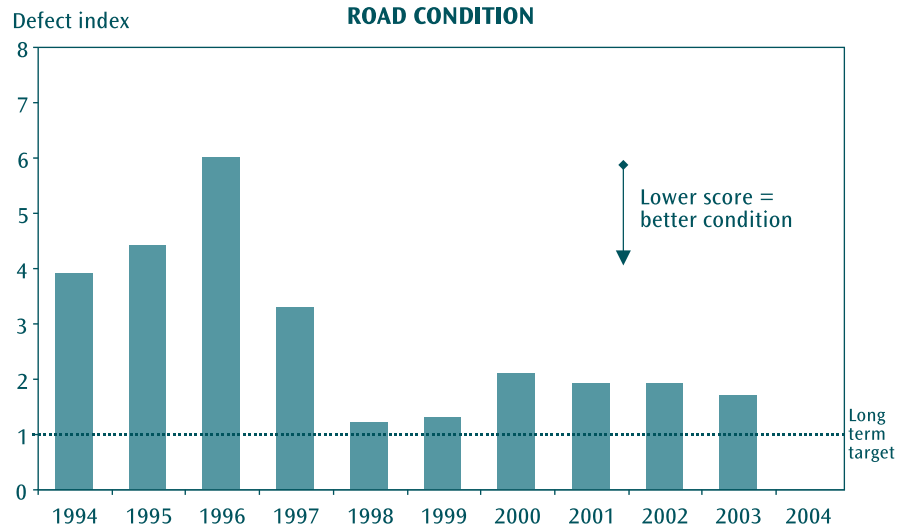
STRATEGIC MEASURES – PEOPLE



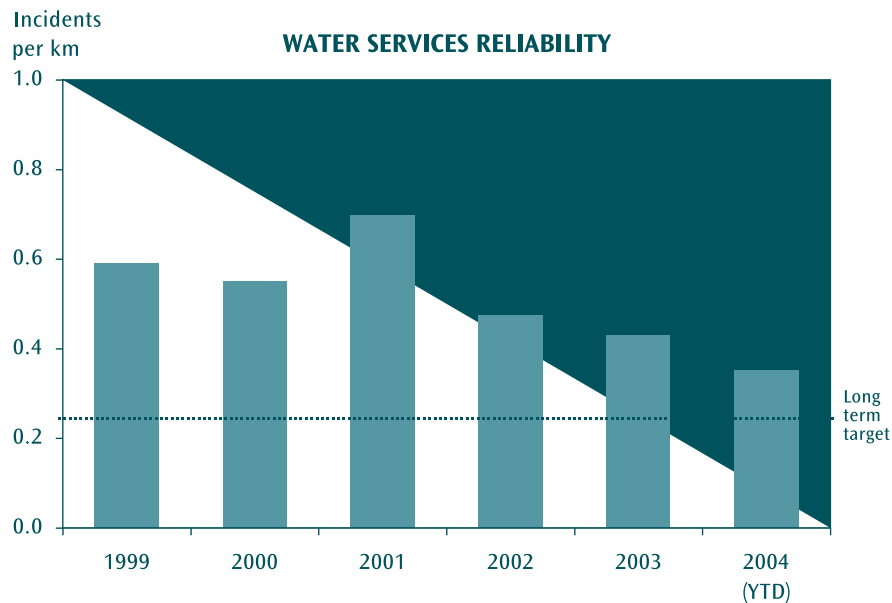
Community Facility Use

Council monitors use of its key facilities. The graph indicates visitors to libraries, pools, and museums, and also Council recreation programme participants. Council has a target of maintaining visitor numbers to these key facilities steady at about 2.1 million each year. This recognises the growing number of competing recreation options available and the limited ability of Council to invest in enhanced facilities.

STRATEGIC MEASURES – UTILITY SERVICES

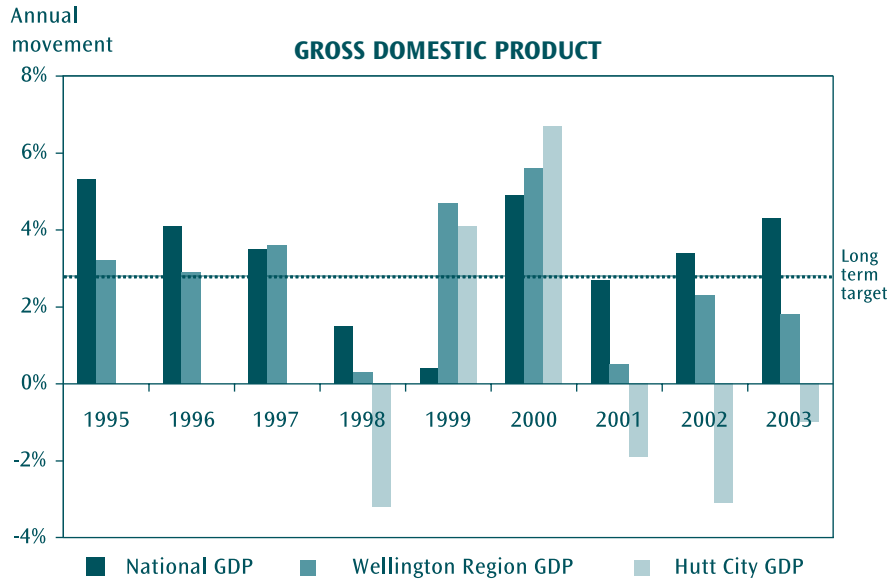


Transfund measures defects in roading surfaces and records a surface condition index. This graph shows the historical condition of the roads in Hutt City and Council's current target. A significant improvement in road conditions is apparent since the early 1990s. Comparative information for peer local authorities is not currently available but Transfund intends to publish this in the future.



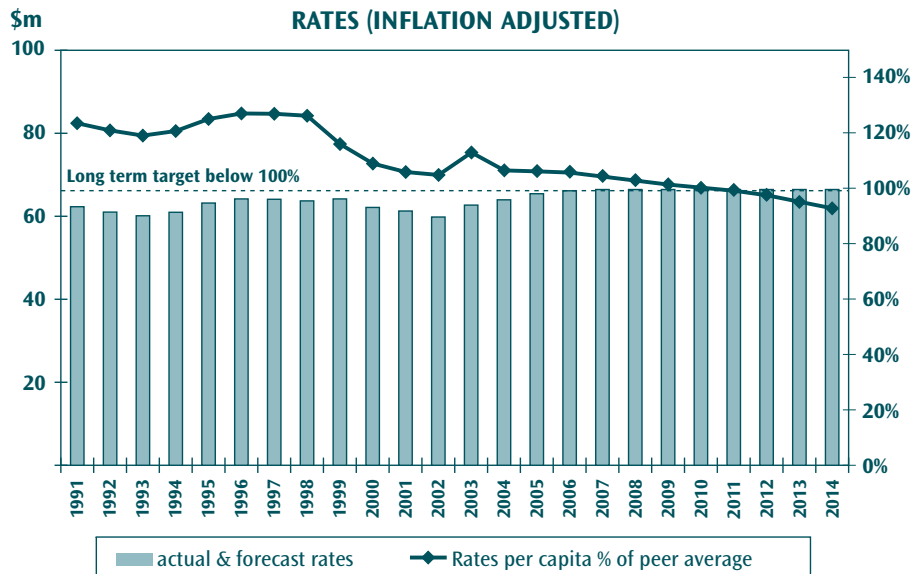
This graph measures combined incidents per kilometre in the water supply, wastewater and stormwater networks. A favourable trend can be seen, but results remain slightly worse than peer averages. The main reason for this is the age and condition profile of pipes. Council's asset renewal programme will address this issue. Council has a long term target of reducing incidents below the peer average.

STRATEGIC MEASURES – ECONOMIC DEVELOPMENT



In recent years the performance of the local economy has not been strong and has not compared favourably with the Wellington region or New Zealand as a whole. The economy has been in transition since the closure of the motor vehicle assembly industry in the city and the downsizing of other large employers. In response, Council has adopted an economic development strategy. The strategy aims to build the city's economy, particularly in the areas of business numbers, jobs events and tourism. The long term target is for local gross domestic product growth to exceed the regional average.

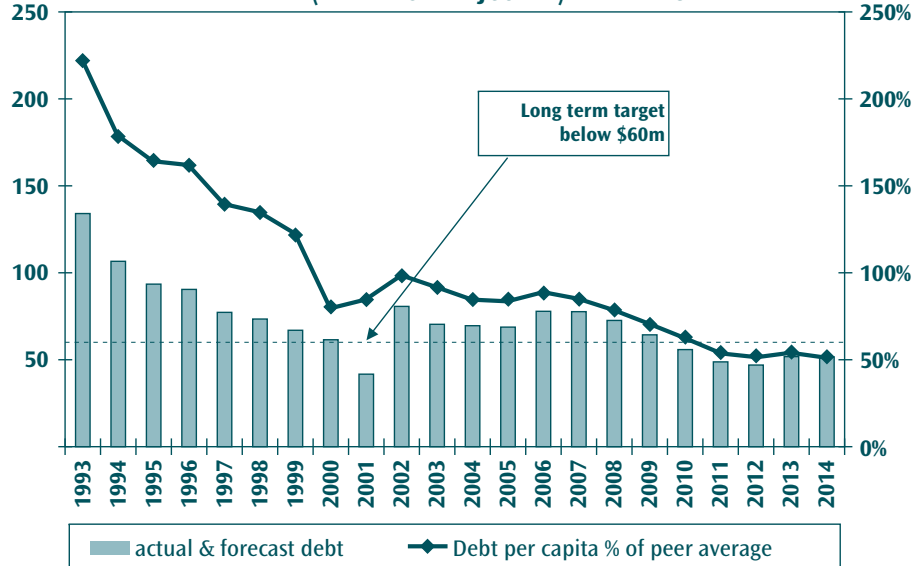
STRATEGIC MEASURES – ORGANISATION – FINANCIAL



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 due 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.

NET DEBT (INFLATION ADJUSTED) – FINANCIAL

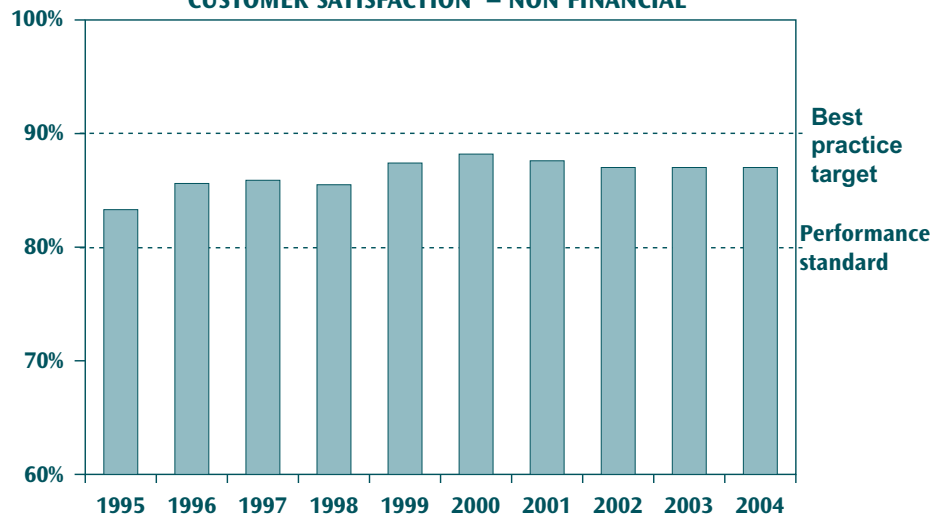


This graph shows historical and forecast net debt levels. It highlights the considerable success Council has had in reducing debt levels since 1993. At the time debt levels in Hutt City were more than twice the average for similar local authorities.

The increase in debt in 2002 was due 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.

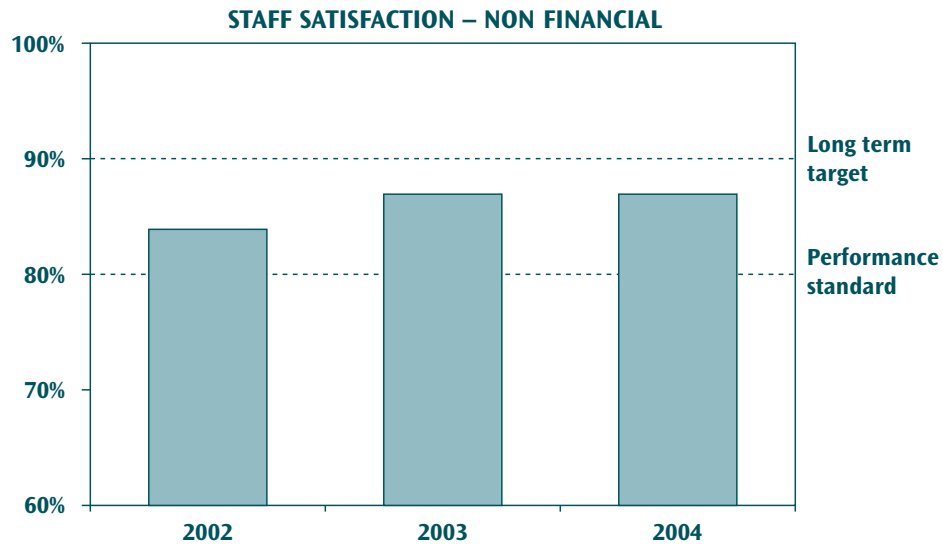
Council previously had a target to reduce net debt below \$45 million by 2010. Pressure for additional spending on infrastructure and a desire to minimise rate increases led to this target being revised upwards to \$60 million.

CUSTOMER SATISFACTION – NON FINANCIAL



Council monitors customer satisfaction levels with Council services annually by way of an independently conducted survey. The graph shows that there were significant improvements until 2000 and that satisfaction ratings have maintained a high level since then.

Council budgets to maintain satisfaction levels of at least 80%, but has a long term target of achieving results regarded as best practice, ie 90%.



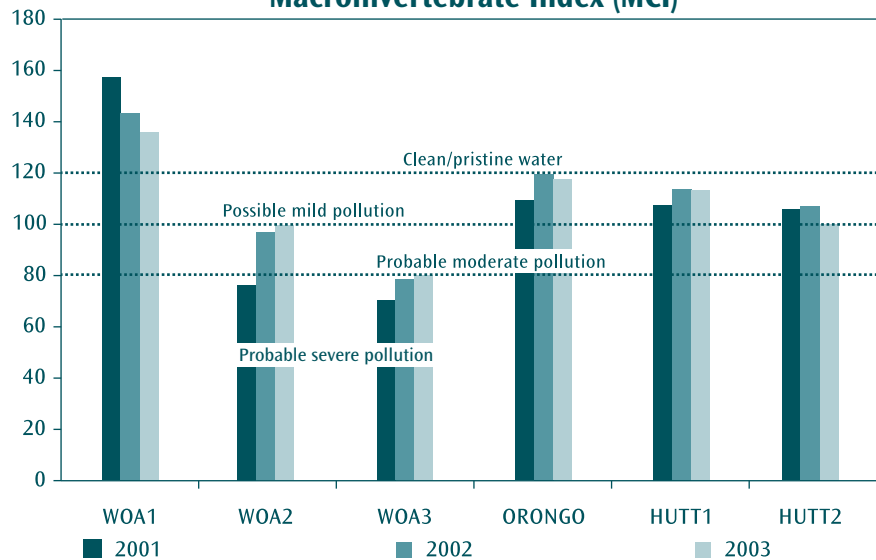
Council has been measuring overall satisfaction levels of staff for the last three years through an independent survey. A significant improvement was noted in the 2003 survey, with little change in 2004.

Council budgets to maintain staff satisfaction levels at at least 80% and generally remunerates staff at close to market average levels. Nevertheless, Council has a long term target of achieving at least 90% satisfaction, by addressing staff concerns raised during the annual survey, where possible through modest cost solutions.

STRATEGIC MEASURES – ENVIRONMENT

CLEAN WATER

Macroinvertebrate Index (MCI)



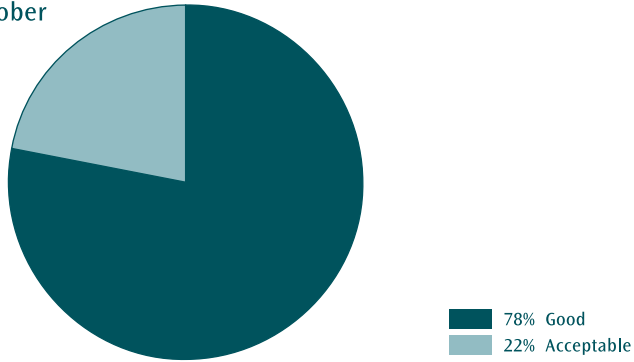
Sampling Sites: Three on the Wainuiomata River: 1 at the Gauge Station, 2 at Leonard Wood Park and 3 at White Bridge; Orongorongo River near the river mouth; two on the Hutt River: 1 near Manor Park, 2 at Melling. Data supplied by Greater Wellington – The Regional Council.

The results clearly show the positive effects from the removal of the sewage discharge into the Wainuiomata River. Site WOA2 is just downstream from where the sewage used to be discharged. While water quality at the WOA1 site has decreased over the three years, the score still falls within the clean/pristine environment category. At WOA3 there continues to be improvement. Both of the Hutt River sites have water quality that has ‘possible mild pollution’ as result of urban stresses.

CLEAN AIR INDICATOR

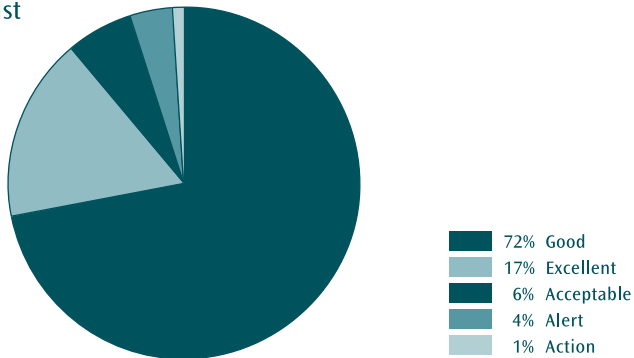
Birch Street

October to October



Wainuiomata

August to August



The national air quality guideline of 50 µg/m³ is the maximum acceptable level for the protection of human health. Provisional results indicate that for the Birch Street site (October to October) results never came close to the national guideline and in fact never reached 40 µg/m³. In Wainuiomata (August to August) the national guideline was exceeded once during the year. At both sites the results are higher during the winter months. This would be largely due to household fires.

Levels: Excellent – Less than 10% of Guideline; Good – Between 10% and 33% of guideline; Acceptable – Between 33% and 66% of the Guideline; Alert – Between 66% and 100% of the guideline; Action – Exceeds guideline.

Clean Land Indicator

Still under development.

Data Supplied by Greater Wellington – The Regional Council.



*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 page 46 and for each significant activity on pages 47 to 119. The borrowing needs and borrowing programmes for Council are indicated within the Statement of Prospective Net Debt Position on page 145 of the Forecast Financial Statements section of this Plan.

CHANGES TO PERFORMANCE MEASURES

Performance measures have been reviewed as a result of the development of the Community Plan. Performance measures are now more clearly defined, easier to determine, and linked directly to each group's strategic goals, which in turn are linked to Community Outcomes.

WHOLE OF COUNCIL

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Rates funding	62,400	65,458	66,113	66,444
User charges	19,890	18,710	18,710	18,710
Operating subsidies	3,536	2,493	2,170	2,170
Capital subsidies	2,514	3,773	6,107	2,846
Upper Hutt City Council operating contribution	1,988	2,036	2,036	2,036
Interest on investments	200	169	107	106
Other revenue	2,635	1,336	1,707	1,809
Total operating revenue	93,163	93,975	96,950	94,121
Operating expenditure				
Employee costs	16,308	16,803	16,914	16,914
Operating costs	50,981	50,497	49,493	49,193
Interest expense	5,250	5,073	5,473	5,703
Depreciation	19,653	20,244	20,690	20,937
Total operating expenditure	92,192	92,617	92,570	92,747
OPERATING SURPLUS BEFORE TAX	971	1,358	4,380	1,374
Taxation	–	–	–	–
NET SURPLUS AFTER TAX	971	1,358	4,380	1,374

PROSPECTIVE APPLICATION OF SURPLUS

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Transfer from loan funding	(2,038)	(2,575)	(1,737)	(1,632)
Transfer to reserves	495	160	10	160
Subsidised capital expenditure	2,514	3,773	6,107	2,846
NET SURPLUS AFTER TAX	971	1,358	4,380	1,374

Group People

COMMUNITY OUTCOMES

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

- Affordable access to services that improve health
- A city that is safe, friendly and welcoming, where people experience a sense of belonging
- Affordable access to excellent educational services
- A quality standard of affordable housing
- A thriving local economy that is attractive to businesses and residents
- Affordable access to community facilities that include arts, cultural and recreational options.



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	M	M	M	M	M	M
Police			M			M
Accident Compensation Corporation		M	M		M	
Child, Youth and Family	M	M	M			M
Hutt Valley Health	M				M	M
Te Puni Kokiri	M				M	
Lower Hutt Safer Community Council (SCAN)	M		M		M	M
Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui	M		M		M	
Ministry of Social Development (Work and Income New Zealand)			M		M	
Te Taura Here o te Te Awakairangi	M		M		M	
Wellington Tenth Trust	M				M	
Greater Wellington – The Regional Council	M	M	M	M	M	M
Department of Conservation	M	M	M	M	M	M

HUTT CITY COUNCIL STRATEGIC GOALS

Cultural – A vibrant and diverse city

Leisure – Accessible and high quality leisure activities and facilities

Community – A connected, safe and healthy community

SIGNIFICANT ACTIVITIES

	PAGE
Activity 1: Libraries	50
Activity 2: Museums	52
Activity 3: Aquatics and Recreation	54
Activity 4: Parks and Reserves	58
Activity 5: Community Support	64
Activity 6: Community Property	68

Council will undertake the following Key Programmes and Activities over the next three years to assist in achieving the strategic goals and Community Outcomes.

OPERATING PROJECTS

- Green Army Coordinator to provide service to volunteers working on reserve land
- Contribution to a Hutt City youth centre
- Grants to community houses
- Grants to Hutt City Marae
- Grants to arts and cultural organisations
- Funding for the Community Development Fund
- Development of safety initiatives for Hutt City
- Grants to local Citizens' Advice Bureaux
- Waka Project
- Hutt Park developments.

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

- Settlers' Museum Extension
- Upgrades to the Dowse Art Museum
- Upgrade Walter Nash Stadium
- Avalon Park Development
- Hugh Sinclair Park Development.

SIGNIFICANT NEGATIVE EFFECTS

At this stage there are no known significant negative effects surrounding Council's planned Key Programmes and Activities. See page 148 for Council's Policy on Significance.

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 121).

Libraries

WHAT WE DO

Council provides, maintains and manages one central and seven community libraries in Hutt City. These are run as a single citywide 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. This supports community education, literacy and recreation.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Advocate for and facilitate public access to information, knowledge and information technology.	Number of library visits or virtual visits per year.	1,560,000 visits per year.
	Number of transactions per year.	1,778,000 transactions per year.
	Net direct cost per transaction.	\$2.82 (Draft).
Maximise opportunities to innovatively deliver information.	Programmes to maintain and improve current services.	Completed on time, to required standard and within overall budget.
Provide equality of access and opportunity to information services throughout the city.	Percentage of residents who use the library service during the year.	Above peer Council average.

Provide exemplary service, at all times, that is recognised by the community.

Percentage of residents who are satisfied with the library service.

Above peer Council average.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	342	412	412	412
Other revenue	7	8	8	8
Total operating revenue	349	420	420	420
Operating expenditure				
Employee costs	2,280	2,372	2,372	2,372
Support costs	1,476	1,956	1,952	1,960
Operating costs	559	623	623	623
Interest expense	58	42	45	49
Depreciation	1,026	1,084	1,006	974
Total operating expenditure	5,399	6,077	5,998	5,978
OPERATING DEFICIT BEFORE TAX	(5,050)	(5,657)	(5,578)	(5,558)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Rates funding requirement				
Operating deficit before tax	(5,050)	(5,657)	(5,578)	(5,558)
Total rates funding requirement	(5,050)	(5,657)	(5,578)	(5,558)
Loan funding requirement				
Capital expenditure				
– maintaining services	(532)	(832)	(682)	(682)
Capital expenditure				
– improving services	(3,233)	(914)	(20)	(46)
Less depreciation	1,026	1,084	1,006	974
Total loan funding surplus/ (requirement)	(2,739)	(662)	304	246
TOTAL FUNDING REQUIREMENT	(7,789)	(6,319)	(5,274)	(5,312)

2004/05

MAINTAINING SERVICES (ASSET RENEWALS)

Library stock replacement

The replacement of stock in libraries. \$642,000

Replacement of furniture and equipment

An ongoing programme for the renewal of furniture and equipment throughout the libraries. \$40,000

CARRY OVER 2003/04

Library stock replacement \$150,000

Total \$832,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Listening facilities

Continuation of the programme to install listening and viewing facilities in Community Libraries, begun last year. \$7,000

Pilot digitisation project

To undertake a pilot project with other Council divisions. \$8,000

PCs for internet access

Additional PCs to meet the increasing demand for electronic services. \$21,000

Replace microfilm reader and printer

Present equipment unable to be maintained. \$28,000

CARRY OVER 2003/04

Central library upgrade \$850,000

Total \$914,000

2005/2006

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Pilot digitisation project

Continue to undertake digitisation projects with other Council divisions. \$20,000

Total \$20,000

2006/2007

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Pilot digitisation project

Continue to undertake digitisation projects with other Council divisions. \$25,000

PCs for internet access

Additional PCs to meet the increasing demand for electronic services. \$21,000

Total \$46,000

Museums

WHAT WE DO

Council operates two museums. The Dowse Art Museum 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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Maintain the museums as safe, friendly and stimulating public space for all citizens and visitors to the city.	Museums maintained as safe, legally compliant facilities offering high level services.	80% of Hutt City residents are satisfied with museum services. 70% of visitors rate the museum experience as very good or better.

Provide facilities and programmes that meet the expectations of user groups and customers.	Programmes to maintain and improve current services. Dowse: Number of visitors per year. Net direct cost per visitor. Settlers': Number of visitors per year. Net direct cost per visitor.	Completed on time, to the required standard and within the overall budget. 90,000 visitors per year. \$13.57 per visitor. 23,000 visitors per year. \$17.87 per visitor.
Be recognised by the community for providing exemplary service at all times.	Percentage of residents that are satisfied with the Dowse and Settlers' Museums.	Above peer Council average.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	122	122	122	122
Capital subsidies	–	300	3,200	300
Other revenue	197	199	640	640
Total operating revenue	319	621	3,962	1,062
Operating expenditure				
Employee costs	786	782	866	866
Support costs	419	441	440	441
Operating costs	701	600	951	951

	Estimate 30/6/2004	Budget 30/6/2005	Forecast 30/6/2006	Forecast 30/6/2007
	\$000s	\$000s	\$000s	\$000s
Interest expense	60	64	70	73
Depreciation	140	139	172	214
Total operating expenditure	2,106	2,026	2,499	2,545
OPERATING (DEFICIT)/SURPLUS BEFORE TAX	(1,787)	(1,405)	1,463	(1,483)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement

	2004/05	2005/06	2006/07	2007/08
Operating (deficit)/surplus before tax	(1,787)	(1,405)	1,463	(1,483)
Add capital subsidies	–	(300)	(3,200)	(300)
Total rates funding requirement	(1,787)	(1,705)	(1,737)	(1,783)

Loan funding requirement

	2004/05	2005/06	2006/07	2007/08
Capital expenditure				
– maintaining services	(29)	(22)	(60)	–
Capital expenditure				
– improving services	(11)	(511)	(4,511)	(1,211)
Less capital subsidies	–	300	3,200	300
Less depreciation	140	139	172	214
Total loan funding (requirement)/ surplus	100	(94)	(1,199)	(697)
TOTAL FUNDING REQUIREMENT	(1,687)	(1,799)	(2,936)	(2,480)

2004/05

MAINTAINING SERVICES (ASSET RENEWALS)

CARRY OVER 2003/04

Dowse security system and grease trap	\$22,000
Total	\$22,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

New Artworks

Ongoing acquisition programme of artworks for the Dowse collection. \$11,000

CARRY OVER 2003/04

Dowse Upgrade \$500,000

Total \$511,000

2005/2006

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

New Artworks

Ongoing acquisition programme of artworks for the Dowse collection. \$11,000

Dowse Upgrade

The extension of and improvements to existing exhibition and public space. \$4,500,000

Total \$4,511,000

2006/2007

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

New Artworks

Ongoing acquisition programme of artworks for the Dowse collection. \$11,000

Settlers' Extensions

Proposed extensions to Settlers' to exhibit the social history of the wider city and provide a seaside café. \$1,200,000

Total \$1,211,000

Aquatics & 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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Promote participation in recreation amongst a broad range of people in Hutt City.	Programmes and events are carried out with an increasing participation trend across all programmes. Percentage of Hutt City residents that used a pool during the year.	At least 300 programmes are carried out per year. Above peer Council average.
Provide quality experiences in safe environments.	Achieve and maintain ACC Poolsafe certification. Maintain Out of School Care and Recreation (‘OSCAR’) accreditation.	All HCC pools All school holiday programmes.

Meet the community’s need for active recreational opportunities through the development and maintenance of pools and recreation programmes.	Percentage of Hutt City users who are satisfied with recreation programmes.	Above peer Council average.
	Percentage of Hutt City residents who are satisfied with pools.	Above peer Council average.
	Programmes to maintain and improve current services.	Completed on time, to the required standard and within budget.
	Number of people that access the pools.	At least 750,000.
	Average net cost per user per visit.	\$3.96.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	1,403	1,321	1,321	1,321
Other revenue	132	246	246	246
Total operating revenue	1,535	1,567	1,567	1,567
Operating expenditure				
Employee costs	1,823	1,857	1,857	1,857
Support costs	504	505	504	505
Operating costs	1,721	1,735	1,735	1,735
Interest expense	149	66	72	75
Depreciation	509	509	499	508
Total operating expenditure	4,706	4,672	4,667	4,680
OPERATING DEFICIT BEFORE TAX	(3,171)	(3,105)	(3,100)	(3,113)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Rates funding requirement				
Operating deficit before tax	(3,171)	(3,105)	(3,100)	(3,113)
Total rates funding requirement	(3,171)	(3,105)	(3,100)	(3,113)
Loan funding requirement				
Capital expenditure – maintaining services	(264)	(264)	(480)	(375)

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Capital expenditure – improving services	(40)	(95)	(180)	(275)
Less depreciation	509	509	499	508
TOTAL LOAN FUNDING SURPLUS/ (REQUIREMENT)	205	150	(161)	(142)
TOTAL FUNDING REQUIREMENT	(2,966)	(2,955)	(3,261)	(3,255)

2004/05

MAINTAINING SERVICES (ASSET RENEWALS)

Huia Pool – Refurbish moveable floor

Essential maintenance to keep moveable floor operative, recommended by engineer's report. Year one of three.

\$20,000

Huia Pool – Secure luxalon ceiling

Fix luxalon ceiling to prevent elements falling.

\$12,000

Huia Pool – Refurbish women's change area

Replace damaged panelling in women's change area and install family changing areas.

\$35,000

Huia Pool – Survey ventilation and heat recovery plant

Survey extent of repairs needed to ventilation and heat recovery plant, recommended by engineer's report.

\$10,000

Huia Pool – Replace outdoor sunshade

Replace damaged outdoor sunshade.

\$9,000

Naenae Pool – Plans for office refurbishment

To prepare plans for office refurbishment recommended by an independent engineer, for completion in 2005/06.

\$8,000

Naenae Pool – Replace ventilation system Replace ineffective ventilation system in men’s changing area, recommended by engineer’s report.	\$25,000
Naenae Pool – Upgrade pool rope attraction Upgrade existing rope and cargo net attractions to acceptable safety standards.	\$17,000
Naenae Pool – Overhaul boiler #1 Overhaul boiler to prolong useful life as recommended by an engineer’s report.	\$12,000
Naenae Pool – Replace carpet Replace worn carpet in meeting room.	\$8,000
Stokes Valley Pool – Refurbish glulam beams Re-coat and repair laminated timber roof beams, recommended by engineer’s report.	\$25,000
Stokes Valley Pool – Replace broken concrete Replace broken and uneven concrete that poses a health and safety risk.	\$8,000
Wainuiomata Pool – Replace boiler Replace boiler at the end of its useful life.	\$35,000
Wainuiomata Pool – Replace PA system Replace PA system at the end of its useful life.	\$10,000
Wainuiomata Pool – Replace changing area lighting Replace ageing light fittings with energy-efficient fittings, recommended by engineer’s report.	\$10,000
Wainuiomata Pool – Replace windbreak fencing Replace broken and ineffectual windbreak as recommended by engineer’s report.	\$20,000
Total	\$264,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Huia Pool – Construct poolside spa Replace existing spa, now at the end of its life, with new poolside spa. \$50,000 project with \$15,000 sponsorship and \$5,000 pa income increase.	\$35,000
Naenae Pool – Install skylight Install skylight over main pool to enable lifeguards to clearly view pool floor.	\$25,000
Naenae Pool – Car park extension Create additional car park space to satisfy demand and protect Mildenhall Park.	\$35,000
Total	\$95,000

2005/2006**IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**

Stokes Valley Pool – Install sunbed Install sunbed to complement swim spa and sauna services already on offer.	\$10,000
Naenae Pool – Install a fitness suite Install a fitness suite (compact gym) to complement existing facilities as part of swimming pool 10-year strategy. Cost offset by income over time.	\$120,000
Naenae Pool – Refurbish pool office Refurbish and expand the pool office giving enhanced retail space and greater pool accessibility to customers.	\$50,000
Total	\$180,000

2006/2007

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Huia Pool – Install fitness suite**

Install a fitness suite (compact gym) to complement existing facilities as part of swimming pool 10-year strategy. Cost offset by income over time.

\$200,000

Naenae – Install new pool attraction

Install new interactive children's play water feature to maintain recreational patronage.

\$50,000

Naenae – Upgrade outdoor play area

Upgrade outdoor play area to maintain recreational patronage.

\$25,000

Total**\$275,000**

Parks & 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 City Vision. Providing and maintaining these areas at high quality and low user cost makes them available to the whole community.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Provide quality experiences in safe environments.	Percentage of Hutt City users that are satisfied with parks and reserves.	Above peer Council average.
Meet the community's need for active recreational opportunities through the development and maintenance of sports areas.	Percentage of sports field utilisation per year.	80% of sports fields utilised per year.
	Percentage of sports fields that meet the standards agreed with sports codes.	95%.
Maintain cemetery facilities and environments to the satisfaction of customers.	Programmes to maintain and improve current services.	Completed on time, to required standard and within budget.
	Percentage of Hutt City residents that are satisfied with cemeteries.	Above peer Council average.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	776	879	879	879
Other revenue	1	1	1	1
Total operating revenue	777	880	880	880
Operating expenditure				
Employee costs	385	455	455	455
Support costs	486	535	534	535
Operating costs	6,038	6,133	5,938	5,868
Interest expense	385	515	564	588
Depreciation	667	766	766	770
Total operating expenditure	7,961	8,404	8,257	8,216
OPERATING DEFICIT BEFORE TAX	(7,184)	(7,524)	(7,377)	(7,336)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(7,184)	(7,524)	(7,377)	(7,336)
Total rates funding requirement	(7,184)	(7,524)	(7,377)	(7,336)

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Loan funding requirement				
Capital expenditure				
– maintaining services	(290)	(736)	(404)	(335)
Capital expenditure				
– improving services	(1,495)	(5,740)	(1,055)	(545)
Less depreciation	667	766	766	770
Transfer from capital reserve	475	110	110	110
Total loan funding requirement	(643)	(5,600)	(573)	–
TOTAL FUNDING REQUIREMENT	(7,827)	(13,124)	(7,950)	(7,336)

2004/2005

OPERATING PROJECTS**Waiwhetu Stream Environmental Enhancement**

Continued programme of improvement carried out jointly with Greater Wellington – The Regional Council. \$30,000

Hutt River Retractable Weir Study

Investigation of technical and resource applicability of constructing retractable weir on the Hutt River. \$50,000

Green Army Coordinator

Provision of coordinator to provide service to volunteers. \$60,000

Hutt River Trail

Contribution towards materials to continue the Rotary Club's development of the Hutt River Trail. \$10,000

North Island Brown Kiwi

Grant to Rimutaka Forest Park Trust to eradicate mustelids in preparation for the release of kiwi in the Park. \$5,000

Pest Plant Species Control

Funding to continue site-specific control of pest plants which are causing harm to native bush. \$35,000

Problem Tree Removal

To bring forward the programme to remove problem pine trees within Council reserves. \$35,000

Galbraiths Gully Trees

Removal of mature stand of pine trees in Korokoro. \$65,000

Waiwhetu Cultural Centre

Contribution to the development of a Waka House at Waiwhetu Marae. \$200,000

Wainuiomata Croquet Club

Cost of maintaining croquet greens in line with other clubs in the valley. \$16,000

Matiu Somes Island Charitable Trust

Funding contribution to the Kakariki release programme on the Island. \$1,200

Walter Nash Stadium Operational Grant

Annual Grant for operating costs of the Stadium, which meets a wide range of community needs. \$45,000

Total **\$552,280**

MAINTAINING SERVICES (ASSET RENEWALS)**Fraser Park field re-levelling**

No 1 ground at Fraser Park Enclosure has a significant undulation that requires re-levelling to maintain standards. \$50,000

HW Shortt Tennis Courts – sealing

Condition of surface is very poor, resealing of courts required. \$45,000

McEwan Park toilet upgrade

General maintenance of building required. In poor state. \$10,000

Parks Roading Maintenance

Ongoing maintenance programme for the internal road network of parks and sports fields. \$60,000

Petone Rec. Beautification

Landscape work between the Recreation Ground and WelTec. To be funded from a bequest. \$10,000

Petone Esplanade re-level four traffic islands

Removal of significant sand build up so that the islands are level. \$20,000

Petone Seawall condition survey

Comprehensive condition survey of seawall required to determine status and possible future maintenance requirements. \$8,000

Playgrounds

Ongoing programme to replace worn out and old play equipment, including safety surfacing. \$110,000

Seats and Bins

An ongoing programme to update existing park seats and rubbish bins. \$10,000

Signage and Interpretation

New programme required to update out-dated park signage. \$10,000

Tutukiwi Orchid and Fern House

Building condition is poor. Needs urgent maintenance work to bring to required standard. \$70,000

Wharf Maintenance

Work required as result of condition survey undertaken this year. The majority of this is on the Point Howard Wharf. \$300,000

Walkways Upgrade Programme

An ongoing programme to maintain/upgrade the city's walkways. \$15,000

Williams Park Pavilion Electrical Upgrade

Electrical wiring is 50 years old and a recent condition survey recommends replacement. \$18,000

Total **\$736,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Avalon Park Development**

Stage One of works to implement the Avalon Park Development Plan. \$50,000

Hutt Park Village Green

Completion of the development of the Village Green zone of Hutt Park, including landscaping, toilets and staging. \$985,000

Hutt Park Sports Zone

Council's share of development of the planned sports zone, including earthworks, parking, landscaping, underground services and public facilities. \$3,200,000

Memorial Park

Upgrade of the Memorial Park stand and changing facilities. \$500,000

Bollards

Installation of bollards at various sites to protect parks and gardens from vehicular damage. \$5,000

Fire Reservoirs

Upgrade three reservoirs in the Eastern Hills to meet the required standard as per report to Council. \$40,000

Taita Cemetery Development of Burial Sites

Funding for further development of burial sites at Taita Lawn Cemetery. \$80,000

Hugh Sinclair Park Development

Provision of car parking at Hugh Sinclair Park in accordance with the development plan. \$80,000

Melling Skateboard Park Stage Two

Construction of Stage Two of the Skateboard Park. \$145,000

Taita Lawn Cemetery Stream

Stream requires retaining as it is eroding sections of the cemetery. \$60,000

CARRY OVERS 2003/04

Korohiwa Landscape Development \$200,000

Melling Skateboard Park \$30,000

Percy Scenic Reserve/SH2 \$150,000

Petone Foreshore Upgrade \$215,000

Total **\$5,740,000**

2005/2006

OPERATING PROJECTS**North Island Brown Kiwi**

Grant to Rimutaka Forest Park Trust to eradicate mustelids in preparation for the release of kiwi in the Park. \$5,000

Wainuiomata Croquet Club

Cost of maintaining croquet greens in line with other clubs in the valley. \$16,000

Problem Tree Removal

To bring forward the programme to remove problem pine trees within Council reserves. \$35,000

Green Army Coordinator

Provision of coordinator to provide service to volunteers. \$60,000

Hutt River Trail

Contribution towards materials to continue the Rotary Club's development of the Hutt River Trail. \$10,000

Pest Plant Species Control

Funding to continue site-specific control of pest plants which are causing harm to native bush. \$35,000

Waiwhetu Stream Environmental Enhancement

Continued programme of improvement carried out jointly with Greater Wellington – The Regional Council. \$20,000

Ferry Road Pine Removal

Stage One of removal of mature pine plantation above Ferry Road in Days Bay. \$50,000

Eastbourne Removal of Groynes

Removal of old railway iron groyne structures in Robinson Bay. (Note: the ECB is opposed to this work). \$20,000

Walter Nash Stadium Operational Grant

Annual Grant for operating costs of the Stadium, which meets a wide range of community needs. \$45,000

Total **\$280,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Walter Nash Stadium Stage 3**

Final stage of upgrade to Walter Nash Stadium to increase seating capacity and provide new toilet facilities, subject to the Trust obtaining the balance. \$500,000

Taita Cemetery Development of Burial Sites

Funding for further development of burial sites at Taita Lawn Cemetery. \$85,000

Bollards

Installation of bollards at various sites to protect parks and gardens from vehicular damage. \$5,000

Avalon Park Development

Stage Two of works to implement the Avalon Park Development Plan. \$100,000

Hugh Sinclair Park Development

Next stage of Hugh Sinclair Park Development Plan – BMX track. \$50,000

Petone Entrance Upgrade

Upgrade of the railway berm on Hutt Road between the foreshore and Petone Railway Station. \$100,000

Multi-use Sports Cage

Installation of a multi-use sports cage for youth at an appropriate site in Hutt City. \$45,000

Taita Cemetery Stream

Stream requires retaining as it is eroding sections of the cemetery. \$60,000

Wainuiomata Garden of Remembrance Stage Two

Stage Two of development of the gardens based on projected usage. (This will need to be confirmed in May 2004 after five months' usage). \$50,000

Melling Skateboard Park

Stage Three of Melling Skateboard Park, principally lighting and seating. \$60,000

Total **\$1,055,000**

2006/2007

OPERATING PROJECTS**North Island Brown Kiwi**

Grant to Rimutaka Forest Park Trust to eradicate mustelids in preparation for the release of kiwi in the Park. \$5,000

Wainuiomata Croquet Club

Cost of maintaining croquet greens in line with other clubs in the valley. \$16,000

Problem Tree Removal

To bring forward the programme to remove problem pine trees within Council reserves. \$35,000

Green Army Coordinator

Provision of coordinator to provide service to volunteers. \$60,000

Hutt River Trail

Contribution towards materials to continue the Rotary Club's development of the Hutt River Trail. \$10,000

Pest Plant Species Control

Funding to continue site-specific control of pest plants which are causing harm to native bush. \$35,000

Waiwhetu Stream Environmental Enhancement

Continued programme of improvement carried out jointly with Greater Wellington – The Regional Council. \$20,000

Walter Nash Operational Grant

Annual Grant for operating costs of the Stadium, which meets a wide range of community needs. \$45,000

Total **\$210,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Taita Cemetery Development of Burial Sites**

Funding for further development of burial sites at Taita Lawn Cemetery. \$85,000

Bollards

Installation of bollards at various sites to protect parks and gardens from vehicular damage. \$5,000

Avalon Park Development

Stage Three of works to implement the Avalon Park Development Plan. \$100,000

Petone Hockey Facility

Council has identified a need for an artificial hockey surface in the Petone area. This amount is to go towards such a facility. \$100,000

Hugh Sinclair Park Development

Next stage of Hugh Sinclair Park Development Plan – senior playground. \$50,000

New Cemetery Development

To undertake planning work for the new cemetery (Akatarawa or elsewhere). \$50,000

Lowry Bay Reclamation

Work to upgrade the rock protection and implement the landscape plan. \$130,000

Manor Park Playground

New playground for Manor Park, which has no such facility. \$25,000

Total **\$545,000**

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.

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 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 due to lack of resources.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Undertake research and consultation to ensure Council is informed of community needs.	Conducting surveys, needs assessments and safety audits. Facilitating networks, forums and meetings.	The Community Outcomes meet the terms and conditions described in the annual work plan.
Support the provision of community, cultural and social services by other organisations.	Delivering community development programmes.	The Community Outcomes meet the terms and conditions described in the annual work plan.
Assist with the development of community groups.	Community development programmes.	Completed on time, to the required standard and within budget.

Provide advice and advocacy support.	Delivering community development programmes.	The Community Outcomes meet the terms and conditions described in the annual work plan.
Administer funding and provide grants for community organisations and groups.	Community grants programmes.	Completed on time, to the required standard and within budget.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	20	20	20	20
Other revenue	–	119	119	119
Total operating revenue	20	139	139	139
Operating expenditure				
Employee costs	332	427	427	427
Support costs	362	457	456	457
Operating costs	1,288	1,246	1,282	1,282
Total operating expenditure	1,982	2,130	2,165	2,166
OPERATING DEFICIT BEFORE TAX	(1,962)	(1,991)	(2,026)	(2,027)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Rates funding requirement				
Operating deficit before tax	(1,962)	(1,991)	(2,026)	(2,027)
Total rates funding requirement	(1,962)	(1,991)	(2,026)	(2,027)
TOTAL FUNDING REQUIREMENT	(1,962)	(1,991)	(2,026)	(2,027)

2004/05**OPERATING PROJECTS****Arts and Culture**

Grants to arts and cultural organisations. \$74,000

CAB Fund

Grants to local Citizens Advice Bureaux. \$55,400

Community Development Fund

Contestable Community Development and other funding. \$206,000

Community House Funds

Grants to Community Houses. \$188,000

Heritage Fund

Fund heritage projects and programmes in the community. \$20,000

Marae Funding

Grants to Hutt City Maraes. \$60,000

Phonic Youth Centre

Contribution towards operating the youth centre. \$111,000

Friends of New Settlers

A grant to assist Friends of New Settlers establish a new settlers centre \$10,000

Safety Initiatives

Safe City, security patrols, new safety initiatives. \$140,000

Scholarships

Grants for scholarships. \$10,000

Social Development Programmes

Development of social programmes for the benefit of the community. \$30,000

Rates Remission

Remission on residential rates. \$205,000

Volunteer of the Year Awards

Volunteer of the Year Awards and volunteers' celebration dinner. \$10,000

Youth Infusion

Continuing support for Youth Infusion. \$10,000

CARRY OVERS 2003/04**New Settlers Centre** \$20,000**Youth Strategy** \$10,000**Total** **\$1,149,400****2005/2006****OPERATING PROJECTS****Arts and Culture**

Grants to arts and cultural organisations. \$74,000

CAB Fund

Grants to local Citizens' Advice Bureaux. \$55,400

Community Development Fund

Contestable Community Development and other funding. \$206,000

Community House Funds

Grants to Community Houses. \$188,000

Heritage Fund

Fund heritage projects and programmes in the community. \$20,000

Marae Funding

Grants to Hutt City Maraes. \$60,000

Phonic Youth Centre	
Contribution towards operating the youth centre.	\$117,000
Friends of New Settlers	\$10,000
Safety Initiatives	
Safe City, security patrols, new safety initiatives.	\$210,000
Scholarships	
Grants for scholarships.	\$10,000
Social Development Programmes	
Development of social programmes for the benefit of the community.	\$30,000
Rates Remission	
Remission on residential rates.	\$205,000
Volunteer of the Year Awards	
Volunteer of the Year Awards and volunteers' celebration dinner.	\$10,000
Youth Infusion	
Continuing support for Youth Infusion.	\$10,000
Total	\$1,205,400

2006/2007

OPERATING PROJECTS	
Arts and Culture	
Grants to arts and cultural organisations.	\$74,000
CAB Fund	
Grants to local Citizens Advice Bureaux.	\$55,400
Community Development Fund	
Contestable Community Development and other funding.	\$206,000
Community House Funds	
Grants to Community Houses.	\$188,000
Heritage Fund	
Fund heritage projects and programmes in the community.	\$20,000

Marae Funding	
Grants to Hutt City Marae.	\$60,000
Phonic Youth Centre	
Contribution towards operating the youth centre.	\$117,000
Safety Initiatives	
Safe City, security patrols, new safety initiatives.	\$210,000
Scholarships	
Grants for scholarships.	\$10,000
Social Development Programmes	
Development of social programmes for the benefit of the community.	\$30,000
Rates Remission	
Remission on residential rates.	\$205,000
Volunteer of the Year Awards	
Volunteer of the Year Awards and volunteers' celebration dinner.	\$10,000
Youth Infusion	
Continuing support for Youth Infusion.	\$10,000
Total	\$1,195,400

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 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 practice, 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.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Provide well-maintained and safe living environments for tenants that are affordable and meet the needs of customers.	Programmes to maintain and improve current services.	Completed on time, to required standard and within budget.
Identify and continue to seek opportunities for Council to divest itself of properties that are not considered to be within Council's core business.	By resolution following consultation process, and completion of statutory requirements.	Targets are set in conjunction with General Manager, Finance.

Be a successful advocate of the community's housing needs.

Occupancy percentage for commercial properties.

90%.

Occupancy percentage for rental housing.

90%.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	1,666	1,455	1,455	1,455
Total operating revenue	1,666	1,455	1,455	1,455
Operating expenditure				
Employee costs	277	292	292	292
Support costs	(1,064)	(1,105)	(1,103)	(1,106)
Operating costs	2,699	2,411	2,350	2,350
Interest expense	341	309	333	341
Depreciation	1,057	1,143	1,089	1,040
Total operating expenditure	3,310	3,050	2,961	2,917
OPERATING DEFICIT BEFORE TAX	(1,644)	(1,595)	(1,506)	(1,462)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Rates funding requirement				
Operating deficit before tax	(1,644)	(1,595)	(1,506)	(1,462)
Total rates funding requirement	(1,644)	(1,595)	(1,506)	(1,462)
Loan funding requirement				
Capital expenditure				
– maintaining services	(396)	(519)	(64)	(78)
Capital expenditure				
– improving services	(239)	(442)	(102)	(148)
Less depreciation	1,057	1,143	1,089	1,040
Less asset sales	2,700	5,074	3,000	–
Total loan funding surplus	3,122	5,256	3,923	814
TOTAL FUNDING SURPLUS/ (REQUIREMENT)	1,478	3,661	2,417	(648)

2004/05

OPERATING PROJECTS CARRY OVERS 2003/04

Various Properties	\$58,500
Total	\$58,500

MAINTAINING SERVICES (ASSET RENEWALS)

Acoustic Study for Little Theatre	
Obtain report from acoustics engineer to assess value and costs for improved acoustics in auditorium.	\$1,500

Administration Building, 30 Laings Road

Replace air conditioning plant for Council Chamber. \$16,000

Horticultural Hall Male Public Toilet

Relocate main entry door. \$3,500

Moera Library

Upgrade exterior security lighting. \$3,800

Petone Service Centre/Library

Install lazer water heater and hot water cylinder in Community Room Kitchen. \$4,000

Public Toilets – Moera and Point Arthur

Wall partition replacement in public toilets. \$4,000

Stokes Valley Community House

Upgrade kitchen and internal layout. \$19,500

Taita Hall

Upgrade exterior security lighting. \$4,000

Upgrade male and female toilets. \$10,000

The Pavilion

Reconstruct access ladder to roof to comply with OSH. \$5,500

Wainuiomata Library/Service Centre

Install ceiling fans in the Committee Room. \$1,500

CARRY OVERS 2003/04

Administration Building \$20,000

Horticultural Hall \$19,100

Naenae Library \$8,500

War Memorial Library \$99,000

Total **\$519,400**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Administration Building Upgrade	\$120,000
Bauchop Road Flats	
Construct car park.	\$8,500
Community Houses	
Install energy-efficient heaters at:	
Parkway	\$3,000
Moera.	\$3,000
Install handrail at ramp:	
Moera.	\$1,200
Erect signage:	
At all Community Houses.	\$20,000
Eastbourne Hall	
Install lazer water heater and hot water cylinder in kitchen.	\$4,000
Epuni Hall	
Replace deteriorated roof.	\$25,000
Little Theatre	
Carpet.	\$6,000
Energy-efficient wiring and electrical work.	\$11,000
Moera Hall	
Install crash rail on exit door.	\$2,000
Naenae Library/Service Centre	
Upgrade entry to male public toilets.	\$5,500
Petone Library/Service Centre	
Hot water for staff toilet.	\$3,500
Stokes Valley Library/Service Centre	
Install new energy-efficient heating system.	\$8,000
Install ceiling fans in Library area.	\$3,000
Wainuiomata Library/Service Centre	
Install an air extraction system.	\$4,500
70 Waiwhetu Road	
Convert Meeting Room into flat accommodation (pensioner unit).	\$28,500

CARRY OVERS 2003/04

Administration Building	\$174,000
Naenae Community Hall	\$12,000
Total	\$442,700

2005/2006**IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**

Belmont Hall	
Upgrade female toilet.	\$9,400
Epuni Hall	
Upgrade toilets.	\$40,000
Hinau Grove Community House	
Install energy-efficient heaters.	\$3,000
Minoh Friendship House	
Construct interior laundry and storage area.	\$6,000
Naenae Library/Service Centre	
Replace front entry with automatic doors.	\$7,800
Petone Community House	
Install energy-efficient heaters.	\$10,000
Petone Library/Service Centre	
Install opening windows in staffroom.	\$4,000
Taita Library/Service Centre	
Install window opening system for high level windows.	\$5,400
Stokes Valley Hall	
Install lazer water heater and under-sink hot water cylinder.	\$5,000
Stokes Valley Community House	
Install energy-efficient heaters.	\$3,000
Wainuiomata Resource Centre	
Install energy-efficient heaters.	\$8,500
Total	\$102,100

2006/2007

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Administration Building**

Upgrade lift mechanical systems. \$20,550

Belmont Hall

Construct new floor in trestle and chair storage area. \$9,000

Petone Library/Service Centre

Install energy-efficient heaters. \$5,000

Little Theatre

Construct stairway from auditorium to stage. \$5,000

Install energy-efficient heating in lobby areas. \$6,000

Café chairs and tables. \$18,000

Pomare Community House

Remove bridge between hall and community house. \$10,000

Stokes Valley Library/Service Centre

Construct main entry lobby with sliding doors. \$55,000

Wainuiomata Hall

Chair and trestle replacement – Stage Two. \$20,000

Total **\$148,550**



Group Utility Services

COMMUNITY OUTCOME

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

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

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	M	M	M			M
Greater Wellington – The Regional Council		M				M
Upper Hutt City Council	M	M				
Ministry of Health				M		M
Private Sector Contractors			M			
Transfund New Zealand		M				

HUTT CITY COUNCIL STRATEGIC GOAL

- Affordable, sustainable, accessible and high quality services.

SIGNIFICANT ACTIVITIES

Activity	PAGE
Activity 7: Roading and Traffic	74
Activity 8: Water Supply	80
Activity 9: Wastewater	84
Activity 10: Stormwater	88
Activity 11: Solid Waste	92

Council will undertake the following Key Programmes and Activities over the next three years to assist in achieving this strategic goal and Community Outcome:

OPERATING PROJECTS

- Educational funding for community projects in the area of road safety coordination
- Work on stormwater and leachate control at decommissioned landfills
- Waste minimisation programme which includes educational activities.

IMPROVING SERVICES – CAPITAL

- Construction of a roundabout to replace traffic lights at the High/Daysh/Fairway intersection
- Eastern Bays Walkway
- Sub-standard road upgrading
- Jackson Street sewer replacement
- Silverstream Landfill Stage Two: design and construction
- Additional stormwater projects as a result of recent flood damage.
- Valley Connector improvements

SIGNIFICANT NEGATIVE EFFECTS

At this stage there are no known significant negative effects surrounding Council’s planned Key Programmes and Activities. See page 148 for Council’s Policy on Significance.

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. These assets are maintained to agreed levels of service set out in the Asset Management Plan (see page 121).

Roading & 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, development control, road safety coordination, and various 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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Providing a safe, reliable and efficient roading and pedestrian network, in harmony with the city's natural environment and representing best value.	Percentage of Hutt City residents that are satisfied with standard and safety of streets, roads and footpaths.	Above peer Council average.
	Percentage of Hutt City residents that are satisfied with the cleanliness of roads and gutters around Hutt City.	Above peer Council average.

Percentage of Hutt City residents that are satisfied with the safety and convenience of movement around the city's streets.	Above peer Council average.
Percentage of Hutt City residents that are satisfied with street lighting around Hutt City.	Above peer Council average.
The trend in reducing injury accidents through joint efforts of Council, the police and other agencies.	Reducing trend maintained.
Programmes to maintain and improve current services.	Completed on time, to required standard and within budget.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	2,147	1,967	1,967	1,967
Operating subsidies	3,482	2,439	2,116	2,116
Capital subsidies	2,514	3,353	2,907	2,546
Other revenue	8	518	518	620
Total operating revenue	8,151	8,277	7,508	7,249

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating expenditure				
Employee costs	884	910	910	910
Support costs	1,731	1,913	1,909	1,915
Operating costs	8,707	7,700	7,167	7,167
Interest expense	1,630	1,635	1,790	1,866
Depreciation	6,095	6,162	6,126	6,148
Total operating expenditure	19,047	18,320	17,902	18,006
OPERATING DEFICIT BEFORE TAX	(10,896)	(10,043)	(10,394)	(10,757)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(10,896)	(10,043)	(10,394)	(10,757)
Add capital subsidies	(2,514)	(3,353)	(2,907)	(2,546)
Total rates funding requirement	(13,410)	(13,396)	(13,301)	(13,303)
Loan funding requirement				
Capital expenditure				
– maintaining services	(4,957)	(4,925)	(4,962)	(5,361)
Capital expenditure				
– improving services	(2,514)	(3,150)	(3,095)	(1,485)
Less capital subsidies	2,514	3,353	2,907	2,546
Less depreciation	6,095	6,162	6,126	6,148
Total loan funding surplus	1,138	1,440	976	1,848
TOTAL FUNDING REQUIREMENT	(12,272)	(11,956)	(12,325)	(11,455)

2004/05

OPERATING PROJECTS

Road Safety Coordination

Continuation of the road safety programme. \$109,750

Valley Floor Connector Improvement Study

Investigation and design of a roundabout at Hutt Road/Railway Avenue intersection and traffic signals at the Cuba Street/Udy Street intersection and on Woburn Road outside Hutt Valley High school. \$90,000

Total **\$199,750**

MAINTAINING SERVICES (ASSET RENEWALS)

Area Wide Pavement Treatment

Work identified by Council's Road Asset Maintenance Management System (RAMM) for the repair of failing road pavements. (Council \$300,000/Transfund \$255,000). \$555,000

Carpark Resurfacing

Resurfacing to maintain pavement durability. \$117,000

Footpath Resurfacing and Replacement

Work identified by RAMM for the resurfacing of asphalt footpaths and the replacement of concrete footpaths. \$200,000

Road Smoothing

Work identified by RAMM to maintain the 'quality of ride' set in the Road Network Asset Management Plan. (Council \$215,000/Transfund \$225,000). \$440,000

Maintenance Chip Sealing

Pavement resurfacing work identified by RAMM to maintain waterproof and skid resistant roads. (Council \$1,161,000/Transfund \$989,000). \$2,150,000

Minor Road and Footpath Construction

Minor road and footpath improvements at localised sites where problems exist. \$56,000

Minor Safety Works

The construction of minor traffic safety improvements identified throughout the year.

(Council \$24,400/Transfund \$25,600) \$50,000

Pedestrian Crossing Replacements

Replacement and modification of pedestrian crossings to enhance safety.

(Council \$14,700/Transfund \$15,300) \$30,000

Road and Footpath Reconstruction

The replacement of kerbs, channels, and footpaths when the condition of the kerb has deteriorated to the stage it will adversely affect the performance of the road pavement.

(Council \$22,000/Transfund \$18,000) \$40,000

Street Light Standard Replacement

Minor allowance to provide for the replacement of street lights at the end of their useful lives.

(Council \$2,700/Transfund \$2,300) \$5,000

Street Light Upgrading

Replacing streetlighting to meet the current standard.

(Council \$12,200/Transfund \$12,800) \$25,000

Street Name Sign Replacement

A cyclic programme to replace and improve the standard of street name signage citywide.

(Council \$10,800/Transfund \$9,200) \$20,000

Traffic Signal Replacement

A cyclic programme for the replacement of traffic signal components.

(Council \$30,800/Transfund \$26,200) \$57,000

Thin Asphaltic Surfacing

Laying asphaltic surfacings where conventional chip seals are not suitable.

(Council \$418,000/Transfund \$357,000) \$775,000

Parking Meter Replacement

Provision for the replacement of out of date parking meters. \$20,000

Moore's Valley Bridge Replacement

Provision for replacing the bridge destroyed during the February 2004 floods. \$265,000

CARRY OVER 2003/04

Area Wide Pavement Treatment \$120,000

Total **\$4,925,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Bridge Strengthening**

Strengthening of the Waterloo overbridge, Railway Avenue overbridge and Wainuiomata River bridge to reduce the risk of failure in earthquakes.

(Council \$68,400/Transfund \$71,600) \$140,000

Broadband Ducting

Provision for ducting during road works to allow for future broadband installation.

\$20,000

Cycleways

Continued development of a main road cycle network to improve safety and encourage use of cycles.

\$100,000

High/Daysh/Fairway Roundabout

Replacement of traffic signals with a roundabout to address safety and efficiency issues of the intersection and adjoining residential streets. Includes additional signalised pedestrian facility.

(Council \$230,000/Transfund \$270,000) \$500,000

Main Road Street Light Upgrading

Replacing street lighting to meet the current standard.

(Council \$12,200/Transfund \$12,800) \$25,000

New Bus Shelters

Provision of four new bus shelters fully funded by Greater Wellington – The Regional Council.

\$30,000

Traffic Safety Improvements

Provision of funding to continue implementing traffic safety and efficiency improvements at high-risk sites throughout the city. \$500,000

Residential Road Lighting

Continuation of an ongoing programme to bring all residential streets up to the minimum standard for lighting. \$160,000

New Pedestrian Crossings

Provision for the installation of two new crossings at identified sites: Rutherford Street and Bellevue Road. \$50,000

Pedestrian Accessway Lighting

Continuation of an ongoing programme to light all pedestrian accessways in the city. \$20,000

Eastern Bays Walkway

Reprioritisation of walkway programme to coordinate with the oil industry Seaview to Point Howard crash barrier proposal. (Anticipated additional contribution from oil industry \$90,000 plus possible funding from Transfund \$200,000) \$475,000

Land Purchase for Roads

A minor provision for legalisation of existing formed roads. \$10,000

Local Area Traffic Management

Consultation, design and implementation of traffic calming measures agreed by residents and approved by Community Boards and Ward Committees under Council's Policy. Currently there is one area that meets Council's criteria. The proposed budget will treat this area. (Boulcott Street, Fry Street and part of Atiawa Crescent). \$30,000

Udy Street/Hutt Road Roundabout

Council share (60%) of network improvements associated with the Mitre 10 development in Bouverie Street, Petone. (Council \$156,000/Transfund \$164,000) \$320,000

Silverstream Bridge Strengthening

Hutt City Council's 50% share of Upper Hutt City Council's project to upgrade the bridge. (Council \$222,400/Transfund \$232,600) \$500,000

Sub-Standard Road Upgrading

Completion of upgrading works in Poto Road, Normandale. \$180,000

State Highway 2 Upgrade Investigations

Hutt City Council's share of consultancy fees for SH 2 Dowse to Petone upgrade project. \$50,000

Taita Shops Bus Improvements

Improved access for buses at Taita Shops. Includes new pedestrian crossing on High Street. Council's share (50%) of project with Greater Wellington – The Regional Council. (Council \$9,800/Transfund \$10,200). \$40,000

Total **\$3,150,000**

2005/2006**OPERATING PROJECTS****Road Safety Coordination**

Continuation of the Community Road Safety Programme. \$109,750

Total **\$109,750**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Broadband Ducting**

Provision for ducting during roadworks to allow for future broadband installation. \$20,000

Cycleways

Continued development of a main road cycle network to improve safety and encourage use of cycles. \$100,000

Land Purchase for Roads

A minor provision for legalisation of existing formed roads. \$10,000

Local Area Traffic Management

Consultation, design and implementation of traffic calming measures agreed by residents and approved by Community Boards and Ward Committees under Council's policy. \$50,000

Main Road Street Lighting	
Main road street lighting improvements.	\$25,000
New Bus Shelters	
Provision of four new bus shelters, fully funded by Greater Wellington – The Regional Council.	\$30,000
New Pedestrian Crossings	
Provision for the installation of two new crossings.	\$50,000
Valley Floor Connector Improvements	
Construction of a roundabout at Hutt Road/Railway Avenue intersection and the installation of traffic signals at Cuba Street/ Udy Street intersection and on Woburn Road outside Hutt Valley high school.	\$1,600,000
Pedestrian Accessway Lighting	
Continuation of an ongoing programme to light all pedestrian accessways in the city.	\$20,000
Reconstruction Improvements	
Continuing the practice of providing approximately 10% additional funding to provide environmental and traffic calming improvements at the time a street is reconstructed (once every 80 years).	\$80,000
Residential Road Lighting	
This is the continuation of an ongoing programme to bring all residential streets up to the minimum standard for lighting.	\$160,000
SH2 Upgrade	
Improvements to Hutt Road and Railway Avenue to establish the gateway to the Central Area.	\$200,000
Sub-standard Hill Roads	
Continuation of the sub-standard road upgrading programme. This years' project is to extend the work previously carried out in Hill Road Belmont down to number 129.	\$250,000
Traffic Safety Improvements	
Provision of funding to continue implementing traffic safety and efficiency improvements at high-risk sites throughout the city.	\$500,000
Total	\$3,095,000

2006/2007

OPERATING PROJECTS

Road Safety Coordination

Continuation of the Community Road Safety Programme.	\$109,750
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Total	\$109,750
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IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Broadband Ducting

Provision for ducting during roadworks to allow for future broadband installation.	\$20,000
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Cycleways

Continued development of a main road cycle network to improve safety and encourage use of cycles.	\$100,000
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Eastern Bays Walkway

Seaview to Point Howard.	\$220,000
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Land Purchase for Roads

A minor provision for legalisation of existing formed roads.	\$10,000
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Local Area Traffic Management

Consultation, design and implementation of traffic calming measures agreed by residents and approved by Community Boards and Ward Committees under Council's policy.	\$50,000
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Main Road Street Lighting

Main road street lighting improvements.	\$25,000
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New Bus Shelters

Provision of four new bus shelters, fully funded by Greater Wellington – The Regional Council.	\$30,000
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New Pedestrian Crossings

Provision for the installation of two new crossings.	\$50,000
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Pedestrian Accessway Lighting

Continuation of an ongoing programme to light all pedestrian accessways in the city.	\$20,000
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Reconstruction Improvements

Continuing the practice of providing approximately 10% additional funding to provide environmental and traffic calming improvements at the time a street is reconstructed (once every 80 years).

\$50,000

Residential Road Lighting

This is the continuation of an ongoing programme to bring all residential streets up to the minimum standard for lighting.

\$160,000

Hill Road

Continuation of work downhill from previous completed in 2002/03.

\$250,000

Traffic Safety Improvements

Provision of funding to continue implementing traffic safety and efficiency improvements at high-risk sites throughout the city.

\$500,000

Total**\$1,485,000**

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 the Wellington Regional Council/ Greater Wellington, 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.

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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Provide a high quality, cost-effective water supply supporting development in the city.	Percentage of Hutt City residents that are satisfied with water supply service. The number of unplanned supply interruptions per 100 connections.	Above peer Council average. Fewer than eight.
Contribute to the health of the community through a continuous high quality drinking water supply at low cost.	Compliance with New Zealand Drinking Water Standards.	Compliance achieved.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	2,102	2,149	2,149	2,149
Total operating revenue	2,102	2,149	2,149	2,149
Operating expenditure				
Employee costs	279	35	35	35
Support costs	451	424	423	424
Operating costs	8,714	9,142	9,056	9,006
Interest expense	672	565	618	645
Depreciation	2,393	2,372	2,321	2,291
Total operating expenditure	12,509	12,538	12,453	12,401
OPERATING DEFICIT BEFORE TAX	(10,407)	(10,389)	(10,304)	(10,252)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(10,407)	(10,389)	(10,304)	(10,252)
Total rates funding requirement	(10,407)	(10,389)	(10,304)	(10,252)
Loan funding requirement				
Capital expenditure				
– maintaining services	(916)	(920)	(1,080)	(1,040)
Capital expenditure				
– improving services	(210)	(250)	(380)	(250)
Less depreciation	2,393	2,372	2,321	2,291
Total loan funding surplus	1,267	1,202	861	1,001
TOTAL FUNDING REQUIREMENT	(9,140)	(9,187)	(9,443)	(9,251)

2004/05

MAINTAINING SERVICES (ASSET RENEWALS)**Minor works**

This budget allows for minor works identified during the year which require immediate attention. The projects cannot be anticipated or programmed in advance.

	\$130,000
Pipelines	\$90,000
Reservoirs and Pump Stations.	\$40,000

Mains Renewal Programme

This programme allows for the renewal of water assets (firemains/ridermains/services) that have reached the end of their working lives.

Assets are prioritised for renewal on the basis of frequency of asset failure, interruptions to service, quality of service provision and fire-fighting capability etc. For the 2004/05 year it is proposed to continue with the renewal of deteriorating asbestos cement/unlined steel/cast iron pipelines, and the renewal of assets prior to street reconstruction.

Naenae Bulk Main Stream Crossing	\$50,000
Heath Grove – Renew Main/Ridermain/Services	\$52,000
Weymouth Grove – Renew Ridermain/Services	\$35,000
Kendall Grove – Renew Ridermain/Services	\$37,000
Kew Grove – Renew Ridermain/Services	\$19,000
Puriri Street (Wainuiomata) – Renew Ridermain/Services	\$45,000
Kumeroa Grove – Renew Ridermain/Services	\$33,000
Berkeley Road – Renew Ridermain/Services	\$67,000
Prebble Grove – Renew Ridermain/Services	\$14,000
MacKenzie Road – Renew Ridermain/Services	\$19,000
Holly Grove – Renew Ridermain/Services	\$27,000
Hawkins Street – Renew Ridermain/Services	\$24,000
Aspen Grove – Renew Ridermain/Services	\$14,000

Westpoint Avenue – Renew Ridermain/Services	\$31,000
Maire Street – Renew Ridermain/Services	\$36,000
Waterloo Shops – Renew Ridermain/Services	\$28,000
Hair Street – Renew Ridermain/Services	\$66,000
Nile Street – Renew Ridermain/Services	\$58,000
Stokes Valley Road – Renew Ridermain/Services.	\$25,000
Pump Station Power Factor Correction	
Install power factor correction at Kelson and Pharazyn Pumping Stations to improve energy efficiency.	\$20,000
SCADA Hardware Upgrade	
Replace SCADA hardware that has reached the end of its working life.	\$15,000
Reservoir Hatch Security	
Continuation of programme to replace reservoir hatches/vents to reduce risk of contamination and strengthen site security.	\$20,000
Reservoir Joint Upgrade	
Upgrade floor joints at Taita and Delaney reservoirs to prevent leakage.	\$40,000
Rata Street Pump Replacement	
Renew pumping units at Rata Street Pumping Station that have reached the end of their working lives.	\$15,000
Total	\$920,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Emergency Materials**

Purchase of essential pipeline materials for use in restoring an emergency supply of water to the community immediately following a major earthquake. \$30,000

Reservoir Auto Shut-Off Valves

Continuation of the programme to install auto shut-off valves at key reservoirs to prevent water loss after a major earthquake or bulk main failure. \$200,000

SCADA Pump Station/Reservoir Control.

Continuation of the programme to replace ageing cable control systems with SCADA (radio) control systems. \$20,000

Total **\$250,000**

2005/2006**IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)****Petone/Hutt Link Mains**

Installation of a 300mm diameter bulk water main (Tama Street/North Street) and a 200mm diameter bulk water main (Hutt Road/Wakefield Street) to connect the Petone and Hutt City water systems for emergency and operational use. \$380,000

Total **\$380,000**

2006/2007**IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)****Kelson/Fairway Drive Link Main**

Installation of a 300mm bulk watermain across the Hutt River and motorway to supply Kelson and Belmont. The bulk watermain will replace the existing 'temporary' watermain installed in the Hutt River bed. \$250,000

Total **\$250,000**

Wastewater

WHAT WE DO

Council provides a wastewater system to collect and treat household and commercial effluent in a way that meets 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.

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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Contribute to the health of the community through the efficient collection, treatment and disposal of wastewater in an environmentally sustainable manner.	Seaview wastewater treatment facilities achieve compliance with relevant resource consent requirements.	100%.
	Programmes to maintain and improve current services.	Completed on time, to required standard and within overall budget.
Provide a high quality, cost-effective wastewater system supporting development in the city.	Percentage of Hutt City residents that are satisfied with wastewater service.	Above peer Council average.
	The number of wastewater reticulation incidents per kilometre of pipeline reported to Council.	Fewer than 1.8 per year.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	472	637	637	637
Upper Hutt City Council operating contribution	1,988	2,036	2,036	2,036
Capital subsidies	–	120	–	–
Total operating revenue	2,460	2,793	2,673	2,673
Operating expenditure				
Employee costs	355	35	35	35
Support costs	669	743	741	744
Operating costs	8,017	8,639	8,562	8,517
Interest expense	1,226	1,056	1,161	1,216
Depreciation	4,433	4,466	4,556	4,643
Total operating expenditure	14,700	14,939	15,055	15,155
OPERATING DEFICIT BEFORE TAX	(12,240)	(12,146)	(12,382)	(12,482)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(12,240)	(12,146)	(12,382)	(12,482)
Add capital subsidies	–	(120)	–	–
Total rates funding requirement	(12,240)	(12,266)	(12,382)	(12,482)
Loan funding requirement				
Capital expenditure				
– maintaining services	(2,053)	(1,783)	(2,430)	(2,445)

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Capital expenditure				
– improving services	(2,111)	(2,508)	(7,990)	(1,855)
Less capital subsidies	–	120	–	–
Less UHCC capital contribution	515	840	2,631	666
Less depreciation	4,433	4,466	4,556	4,643
Total loan funding surplus/ (requirement)	784	1,135	(3,233)	1,009
TOTAL FUNDING REQUIREMENT	(11,456)	(11,131)	(15,615)	(11,473)

2004/05

MAINTAINING SERVICES (ASSET RENEWALS)**Minor Works**

This budget allows for minor works identified during the year, which require immediate attention. The projects cannot be anticipated or programmed in advance.

Pipes	\$130,000	\$142,000
Pumping Stations	\$ 12,000	

Replacement of Wastewater Mains

Replace sections of wastewater mains in the Kelson and Normandale areas that were washed out during February 2004 flooding

\$95,000

Replacement and rehabilitation of sewers in Whites Line East and Leighton Avenue Gravity catchments

Replacement and rehabilitation of sewers and manholes in the Whites Line East and Leighton Avenue Gravity catchments for the reduction of infiltration. Closed Circuit Television, pressure testing and physical inspection of the network have revealed broken pipes and leaky joints in the pipes.

\$463,000

Whites Line East (Waiwhetu Stream to Pumping Station)	\$200,000
Cambridge Terrace (Awamutu Grove/Leighton Avenue to Hawkins Street)	\$90,000
Cleary Street/Mission Street	\$90,000
Hawkins Street to Vincent Street	\$83,000

Wainuiomata Sewer (Peel Place Cross-River To Gibbs Crescent)

Construction works for the protection of the Wainuiomata sewer crossing the Wainuiomata River (from Peel Place to Gibbs Crescent).

\$370,000

SCADA Hardware Replacement

Replace SCADA hardware that has reached the end of its working life.

\$20,000

Pumping Stations

Replace mechanical components that have reached the end of their working lives.

\$15,000

Trunk Wastewater Non DBO

Minor Works.

\$2,000

Te Marua Pumping Station Rising Main

Maintenance of trunk wastewater pipe at Te Marua, necessitated by Transfund roadworks. 50% subsidised by Transfund.

\$240,000

Trunk Wastewater DBO

Asset replacement fund.

\$320,976

CARRY OVER 2003/04

Wainuiomata Generator

\$113,000

Total	\$1,780,976
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IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Howard Road Pumping Station**

Installation of a second pump and associated electrical and mechanical work.

\$60,000

Sorrento Bay, Williams Park and Wood Street Pumping Stations	
Installation of flow meters for monitoring flows.	\$50,000
Trunk Wastewater	
Minor works in Wainuiomata.	\$20,000
Project management and administration.	\$156,623
Excess flow management.	\$1,815,000
Type B network development.	\$315,000
Type A asset development.	\$90,000
Total	\$2,509,623

2005/2006

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)	
George Gee, Kereru and Titiro Moana Pumping Stations	
Installation of flow meters to monitor flows.	\$50,000
New Sewer at Te Whiti Grove, Korokoro	
Laying a new sewer to service residents in Te Whiti Grove who are on septic tanks.	\$170,000
Trunk Wastewater DBO	
Project management and administration	\$160,000
Excess flow management	\$6,190,000
Network development	\$990,000
Type A asset development.	\$430,000
Total	\$7,990,000

2006/2007

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)	
St Albans, Howard Road and Mahina Bay Pumping Stations	
Installation of flow meters to monitor flows.	\$50,000
Malone Road Capacity Improvement	
Capacity improvement in Malone Road.	\$470,000
Trunk Wastewater	
Project management and administration	\$160,000
Excess flow management	\$120,000
Network development	\$625,000
Type A asset development.	\$430,000
Total	\$1,855,000

Stormwater

WHAT WE DO

Council provides a stormwater drainage system to manage surface water run-off from urbanised catchments in a way that achieves an optimum balance between the level of protection and the cost to the community.

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 minimise property damage. The most efficient means of achieving this is through a comprehensive stormwater system.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Providing a cost-effective stormwater system that supports development in Hutt City.	Percentage of Hutt City residents that are satisfied with stormwater service.	Above peer Council average.
Contributing to the safety of the community by minimising the incidence of flooding.	The number of stormwater reticulation incidents per five kilometres of public stormwater drain reported to Council.	Fewer than two per annum.
Minimising property damage due to flooding and thus supporting the economy of the city.	Programmes to maintain and improve current services.	Completed on time, to required standard and within budget.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Operating subsidies	14	14	14	14
Total operating revenue	14	14	14	14
Operating expenditure				
Employee costs	254	35	35	35
Support costs	365	344	343	344
Operating costs	2,605	2,107	1,945	1,900
Interest expense	628	632	692	721
Depreciation	1,660	1,671	1,675	1,699
Total operating expenditure	5,512	4,789	4,690	4,699
OPERATING DEFICIT BEFORE TAX	(5,498)	(4,775)	(4,676)	(4,685)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(5,498)	(4,775)	(4,676)	(4,685)
Total rates funding requirement	(5,498)	(4,775)	(4,676)	(4,685)
Loan funding requirement				
Capital expenditure – maintaining services	(360)	(280)	(390)	(330)

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Capital expenditure				
– improving services	(280)	(1,970)	(3,380)	(1,715)
Less depreciation	1,660	1,671	1,675	1,699
Total loan funding surplus/ (requirement)	1,020	(579)	(2,095)	(346)
TOTAL FUNDING REQUIREMENT	(4,478)	(5,354)	(6,771)	(5,031)

2004/05

MAINTAINING SERVICES (ASSET RENEWALS)

Minor Asset Renewals

This budget allows for minor works identified during the year, which require immediate attention. This work cannot be anticipated or programmed in advance. \$90,000

Stormwater Renewals

This is part of the mains renewal programme involving the replacement of existing services that have reached the end of their useful lives.

Hutt Road, Lower Hutt	\$90,000
Stokes Valley Road, Stokes Valley	\$45,000
Te Mome Culvert, Lower Hutt	\$55,000

Total **\$280,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Black Creek Wainuiomata Stormwater Improvements	\$250,000
Provision for consents	\$25,000

Weatherby Grove Bank Protection

Works to provide protection from stream erosion for properties in Weatherby Grove. \$30,000

Opahu Stream Pumping Station Design and Resource Consent

This work involves the design of a pumping station for the Opahu Stream. The pump station will reduce flooding that occurs on private property adjacent to the Opahu Stream during heavy rain when the Hutt River is flowing at a high level, thereby restricting stream discharge.

The construction of the pump station will be undertaken in conjunction with the work being carried out on the Hutt River Flood Protection Upgrade Project.

Greater Wellington – The Regional Council will contribute towards the cost of the pump station. Details of the cost sharing arrangement are yet to be finalised. \$85,000

Pukatea Street Stormwater Improvements

Installation of additional stormwater pipelines and construction of a pumping station to provide stormwater drainage to this low-lying area. \$500,000

Marine Parade Stormwater Improvements

Stormwater improvements to bypass floodwater past several houses which are at risk of flooding. \$130,000

Other Stormwater Improvements

Wainuiomata	
Donnelley Drive	
Hydraulic study	\$185,000
Stokes Valley	
Manuka Street	
Kamahi Street	
Korau Grove	\$500,000
Gracefield Road	\$100,000

CARRY OVER 2003/04

Hutt River Floodplain Upgrade \$165,000

Total **\$1,970,000**

2005/2006

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Black Creek Wainuiomata Stormwater Improvements \$1,250,000

Opahu Stream Pumping Station

This work, which involves the construction of a pumping station for the Opahu Stream, will be undertaken in conjunction with the work being carried out on the Hutt River Flood Protection Upgrade Project. The pump station will reduce flooding that occurs on private property adjacent to the Opahu Stream during heavy rain, when the Hutt River is flowing at a high level thereby restricting stream discharge.

Greater Wellington – The Regional Council will contribute towards the cost of the pump station. Details of the cost sharing arrangement are yet to be finalised.

(The cost of the pump station is indicative only as detailed evaluation work is not complete.) \$1,500,000

Hutt River Floodplain Upgrade

This work involves the upgrading of existing stormwater outlets that discharge to the Hutt River from the Alicetown area, as part of Hutt River Channel Realignment work between the Ava Rail Bridge and the Ewen Bridge.

Greater Wellington – The Regional Council will undertake this work in conjunction with the channel realignment work, which forms part of the overall Hutt River Flood Protection Upgrade Project. (The costs are indicative only as detailed evaluation work is not complete.) \$350,000

Jackson Street Stormwater

A new stormwater main is required in Jackson Street between Te Puni and Victoria Streets, in order to alleviate the deterioration of the road surface caused by failing existing stormwater piping and to improve stormwater discharge from the area. This work is to be undertaken in conjunction with proposed road pavement renewal work and water and wastewater service upgrading.

\$280,000

Total **\$3,380,000**

2006/2007

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Awamutu Stream Channel Upgrade (York Street)

This work involves the upgrading of the Awamutu Stream Channel to help reduce the incidence of flooding and to increase the stability of the stream channel banking in the York Street area. \$185,000

Black Creek Wainuiomata Stormwater Improvements

Provision for Resource Consent costs (\$25k), and commencement of physical works (\$250k) to mitigate flooding problems in the Black Creek catchment area; following planned (Dec/Jan) completion of major hydrological study to scope and design such works. \$1,000,000

Jackson Street Stormwater

A new stormwater main is required in Jackson Street between Victoria and Beach Streets, in order to alleviate the deterioration of the road surface caused by failing existing stormwater piping and to improve stormwater discharge from the area. This work is to be undertaken in conjunction with proposed road pavement renewal work and water and wastewater service upgrading.

\$380,000

Hutt River Floodplain Upgrade

This work involves the upgrading of existing stormwater outlets that discharge to the Hutt River from the Alicetown area, as part of Hutt River Channel Realignment work between the Ava Rail Bridge and Ewen Bridge.

\$150,000

Total

\$1,715,000

Solid Waste

WHAT WE DO

Council contracts out the collection of the city's refuse and recycling. It also owns and operates two landfills to provide for the disposal of residual waste. An annual waste minimisation programme is run to promote the concepts of 'reduce, reuse, recycle' to businesses and citizens.

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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Encouraging waste minimisation and environmentally friendly practices.	Percentage of Hutt City residents that are satisfied with the city's refuse collection services.	Above peer Council average.
	Percentage of Hutt City residents that are satisfied with the city's refuse disposal facilities.	Above peer Council average.
	Percentage of Hutt City residents that are satisfied with the city's recycling collection services.	Above peer Council average.

Ensuring refuse is managed and disposed of in a safe, efficient and sustainable manner that maintains the city's natural and aesthetic values.

Compliance of landfill management plans and discharge consents.

Programmes to maintain and improve current services.

Compliance achieved.

Completed on time, to required standard and within budget.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	7,713	6,649	6,649	6,649
Total operating revenue	7,713	6,649	6,649	6,649
Operating expenditure				
Employee costs	77	79	79	79
Support costs	84	96	96	96
Operating costs	4,342	3,995	3,995	3,995
Interest expense	–	–	–	–
Depreciation	383	470	1,040	1,148
Total operating expenditure	4,886	4,640	5,210	5,318
OPERATING SURPLUS BEFORE TAX	2,827	2,009	1,439	1,331

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Rates funding requirement				
Operating surplus before tax	2,827	2,009	1,439	1,331
Transfer to capital reserve	(335)	–	–	–
Total rates funding surplus	2,492	2,009	1,439	1,331
Loan funding requirement				
Capital expenditure				
– maintaining services	–	–	–	–
Capital expenditure				
– improving services	(600)	(1,650)	(4,350)	(3,350)
Less depreciation	383	470	1,040	1,148
Transfer from capital reserve	195	–	–	–
Total loan funding requirement	(22)	(1,180)	(3,310)	(2,202)
TOTAL FUNDING SURPLUS/ (REQUIREMENT)	2,470	829	(1,871)	(871)

2004/05

OPERATING PROJECTS**Stormwater and Leachate Control**

Works for decommissioned landfills. \$50,000

Waste Minimisation Programme

Ongoing programme of educational activities promoting 'reduce, reuse and recycle'. \$135,000

Total \$185,000**IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)****Silverstream Landfill**

Stage One: Resource consent work. \$200,000

Stage One: Closure cost. \$100,000

Silverstream Landfill

Stage Two: Design and construction costs. \$1,250,000

Wainuiomata Landfill

Resource consents work. \$100,000

Total \$1,650,000

2005/2006

OPERATING PROJECTS**Stormwater and Leachate Control**

Works for decommissioned landfills. \$50,000

Waste Minimisation Programme

Ongoing programme of educational activities promoting 'reduce, reuse and recycle'. \$135,000

Total \$185,000**IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)****Silverstream Landfill**

Stage One: Resource consent work. \$100,000

Stage Two: Closure cost. \$100,000

Silverstream Landfill

Stage Two: Design and construction costs. \$4,100,000

Wainuiomata Landfill

Resource consents work. \$50,000

Total \$4,350,000

2006/2007

OPERATING PROJECTS**Stormwater and Leachate Control**

Works for decommissioned landfills.	\$50,000
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Waste Minimisation Programme

Ongoing programme of educational activities promoting 'reduce, reuse and recycle'.	\$135,000
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Total	\$185,000
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IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Silverstream Landfill**

Stage One: Resource consent work.	\$50,000
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Stage One: Closure cost.	\$100,000
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Silverstream Landfill

Stage Two: Design and construction costs.	\$3,100,000
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Wainuiomata Landfill

Resource consents work.	\$100,000
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Total	\$3,350,000
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Group Environment

COMMUNITY OUTCOMES

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

- Clean air, water and land
- A diverse natural environment that is accessible, enjoyable and safe
- A healthy balance between natural and built environments
- A built environment that is attractive, safe and healthy.



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	M	M	M	M		M
Greater Wellington – The Regional Council	M	M		M	M	M
Environmental groups	M				M	M
Residents’ groups	M					
Business Care	M					
Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui	M				M	
Te Taura Here o te Te Awakairangi	M				M	
Wellington Tenth’s Trust	M	M			M	
Department of Conservation	M	M				M

HUTT CITY COUNCIL STRATEGIC GOAL

- A clean, healthy, attractive and sustainable environment.

SIGNIFICANT ACTIVITIES

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

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SIGNIFICANT NEGATIVE EFFECTS

At this stage there are no known significant negative effects surrounding Council’s planned Key Programmes and Activities. See page 148 for Council’s Policy on Significance.

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, including environmental education and promotion. 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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Control dogs so that residents are safe, annoyance factors are minimised and the welfare of animals protected.	Animal control customer satisfaction levels.	Above peer Council average.
Develop and implement sound environmental policies and rules which encourage sustainable development and reflect community views.	Completion of Annual Environmental Monitoring Report. District Plan Changes prepared and processed.	Completed by the end of June 2004. As agreed by Council.

	Keep Hutt City Beautiful Programme implemented in conjunction with community group representatives.	Implementation achieved in conjunction with community group representatives.
Provide service from Council that is timely, efficient and customer friendly.	<p>Percentage of Hutt City users that are satisfied with the inspection service and requests for service.</p> <p>All notified applications not requiring a hearing submitted for decision.</p> <p>Percentage of non-notified land use consents issued within a median of five working days.</p> <p>Percentage of premises registered or licensed within 30 days of the date of application.</p> <p>Percentage of Hutt City users that are satisfied with the service in processing non-notified land use resource consents.</p> <p>Percentage of hearing participants that are satisfied they have received a fair hearing.</p>	<p>Above peer Council average.</p> <p>Completed within 10 working days.</p> <p>80%.</p> <p>90%.</p> <p>80%.</p> <p>80%.</p>

Percentage of hearings decisions issued within 10 working days of the hearing.	At least 80%.
Percentage of applications for building consents determined:	90%.
<ul style="list-style-type: none"> • Within nine working days for consents under \$500,000 in value • Within 20 working days for consents over \$500,000. 	

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	2,349	2,396	2,396	2,396
Other revenue	25	28	28	28
Total operating revenue	2,374	2,424	2,424	2,424
Operating expenditure				
Employee costs	2,657	3,009	3,009	3,009
Support costs	702	748	746	749
Operating costs	1,012	1,205	1,205	1,155
Interest expense	1	1	1	1
Depreciation	10	11	10	9
Total operating expenditure	4,382	4,974	4,971	4,923
OPERATING DEFICIT BEFORE TAX	(2,008)	(2,550)	(2,547)	(2,499)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(2,008)	(2,550)	(2,547)	(2,499)
Total rates funding requirement	(2,008)	(2,550)	(2,547)	(2,499)
Loan funding requirement				
Capital expenditure				
– improving services	(5)	(27)	–	–
Less depreciation	10	11	10	9
Total loan funding surplus/ (requirement)	5	(16)	10	9
TOTAL FUNDING REQUIREMENT	(2,003)	(2,566)	(2,537)	(2,490)

2004/05

OPERATING PROJECTS	
By-law review	
Review of by-laws.	\$50,000
Total	\$50,000
IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)	
Six moisture meters	
Purchase of six moisture meters.	\$6,750
One sound meter	\$20,000
Total	\$26,750

2005/2006

OPERATING PROJECTS	
Coast Road Study	\$50,000
Total	\$50,000

Emergency Management

WHAT WE DO

Council develops, implements and monitors citywide emergency management plans, and promotes community preparedness for emergencies. Under the 2002 Civil Defence Emergency Management Act, Council must work cooperatively 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 coordinate responses to civil defence and rural fire emergencies.

WHY WE DO IT

This activity is fundamental to achieving citywide 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.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Prepare residents for an emergency so that the impact on the community is minimised and people are safe.	Percentage of Hutt City residents that are prepared for an emergency.	Above peer Council average.
	Emergencies responded to.	In accordance with the corporate Emergency Plan, Civil Defence Plan and related procedures.
	Rural fire emergencies responded to.	In accordance with the Rural Fire Plan and related procedures.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Operating subsidies	40	40	40	40
Total operating revenue	40	40	40	40
Operating expenditure				
Employee costs	224	227	227	227
Support costs	168	208	208	208
Operating costs	126	122	122	122
Interest expense	–	–	–	–
Depreciation	33	25	17	11
Total operating expenditure	551	582	574	568
OPERATING DEFICIT BEFORE TAX	(511)	(542)	(534)	(528)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(511)	(542)	(534)	(528)
Total rates funding requirement	(511)	(542)	(534)	(528)
Loan funding requirement				
Capital expenditure				
– maintaining services	–	–	–	–
Less depreciation	33	25	17	11
Total loan funding surplus	33	25	17	11
TOTAL FUNDING REQUIREMENT	(478)	(517)	(517)	(517)



Group Economy

ECONOMIC COMMUNITY OUTCOME

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

- A thriving local economy that is attractive to both businesses and residents.

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	M	M			M	M
Positively Wellington Business	M	M			M	M
Weltec		M	M		M	
Hutt Valley Chamber of Commerce	M		M		M	
New Zealand Trade and Enterprise	M	M			M	
CBD+, Jackson Street Programme			M		M	

HUTT CITY COUNCIL STRATEGIC GOAL

- A strong, enterprising and diverse economy.

SIGNIFICANT ACTIVITIES

	PAGE
Activity 14: Local Urban Design	106
Activity 15: Economic Development	108

Council will undertake the following Key Programmes and Activities over the next three years to assist in achieving the strategic goal and Community Outcome.

OPERATING PROJECTS

- Earthquake risk and building fund
- Rapid response to graffiti
- Events funding
- Implementation of economic development strategies
- Visitor Information funding
- Funding to Positively Wellington Business, CBD+ and Jackson Street Programme
- Development Wainuiomata.

CAPITAL PROJECTS

- Improvements to suburban shopping centres
- The revitalisation and marketing of Hutt City's CBD
- Seaview/Gracefield developments
- Development of Wingate industrial area.

SIGNIFICANT NEGATIVE EFFECTS

At this stage there are no known significant negative effects surrounding Council's planned Key Programmes and Activities. See page 148 for Council's Policy on Significance.

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.

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.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Facilitate the requirements and development of business areas.	Business area development projects completed.	On time, to the satisfaction of businesses and within budget.
Develop an urban environment that helps to retain and attract businesses, people and investment.	Urban design and enhancement projects completed.	On time, to the required standard and within budget.
	Suburban Shopping Centre programmes to improve services completed.	On time, to the required standard and within budget.
Retain heritage buildings and features for future generations.	Earthquake Risk Fund projects completed.	On time, to the required standard and within budget.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Total operating revenue	–	–	–	–
Operating expenditure				
Employee costs	46	29	29	29
Support costs	60	93	93	93
Operating costs	144	154	140	140
Interest expense	–	5	5	6
Depreciation	76	89	120	155
Total operating expenditure	326	370	387	423
OPERATING DEFICIT BEFORE TAX	(326)	(370)	(387)	(423)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(326)	(370)	(387)	(423)
Total rates funding requirement	(326)	(370)	(387)	(423)
Loan funding requirement				
Capital expenditure				
– improving services	(441)	(1,247)	(1,767)	(266)
Less depreciation	76	89	120	155
Total loan funding requirement	(365)	(1,158)	(1,647)	(111)
TOTAL FUNDING REQUIREMENT	(691)	(1,528)	(2,034)	(534)

2004/05

OPERATING PROJECTS**Anti-Graffiti Response**

Response to and removal of graffiti around the city. \$80,000

Earthquake Risk Fund

Earthquake risk and building fund. \$40,000

Eastbourne Strategic Plan

Strategy promoting growth in Eastbourne. \$5,000

Total **\$125,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Naenae Shopping Centre**

Revitalisation of Naenae Shopping Centre. \$100,000

CBD Masterplan Stage 1

Urban enhancement to CBD as outlined in the CBD Framework Plan. \$500,000

CBD Development

Assist CBD revitalisation. \$300,000

Suburban Shopping Centres

Improvements to suburban shopping centres. \$267,000

CARRY OVER 2003/04

Suburban Shopping Centres \$80,000

Total **\$1,247,000**

2005/2006

OPERATING PROJECTS**Anti-Graffiti Response**

Response to and removal of graffiti around the city. \$80,000

Earthquake Risk Fund

Earthquake risk and building fund. \$40,000

Total **\$120,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**CBD Masterplan**

Urban enhancement to CBD as outlined in the CBD Framework Plan. \$1,500,000

Suburban Shopping Centres

Improvements to suburban shopping centres. \$267,000

Total **\$1,767,000**

2006/2007

OPERATING PROJECTS**Anti-Graffiti Response**

Response to and removal of graffiti around the city. \$80,000

Earthquake Risk Fund

Earthquake risk and building fund. \$60,000

Total **\$140,000**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Suburban Shopping Centres**

Improvements to suburban shopping centres. \$266,000

Total **\$266,000**

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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Create business communities with a sense of vibrancy and life, and generate a sense of identity. This will be assisted by a wider range of recreation, retail and entertainment options within or close to business areas.	Economic development strategy implementation programmes completed.	On time, to the required standard and within budget.
Facilitate the expansion of existing businesses and creation of new businesses by making Hutt City the preferred choice of business location within the region.	Achieve job and GDP growth in Hutt City.	Improved ranking of Hutt City relative to peer group of New Zealand cities.

Ensure doing business in Hutt City is easy and cost-effective through business practices, efficient infrastructure and the use of innovative partnerships including Council and other organisations.	Jackson Street Programme business plan continued. Development Wainuiomata. CBD+ business plan implemented. Regional Economic Development Agency business plan implemented.	Milestones met. Milestones met. Milestones met. Milestones met.
Assist with the development of a skilled workforce.	Achieve job growth rate in Hutt City.	Equivalent to 0.7%pa over the period 2002–2007.
Encourage development and undertake events.	Economic impact of events. Percentage of Hutt City residents that are satisfied with the visitor information services and special events.	Is satisfactory. At least 80%.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Other revenue	–	15	15	15
Total operating revenue	–	15	15	15
Operating expenditure				
Employee costs	195	280	280	280
Support costs	155	519	518	519

Operating costs	1,523	1,535	1,470	1,430
Interest expense	–	14	15	16
Total operating expenditure	1,873	2,348	2,283	2,245
OPERATING DEFICIT BEFORE TAX	(1,873)	(2,333)	(2,268)	(2,230)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(1,873)	(2,333)	(2,268)	(2,230)
Total rates funding requirement	(1,873)	(2,333)	(2,268)	(2,230)
Loan funding requirement				
Capital expenditure				
– maintaining services	(30)	(30)	(30)	(30)
Capital expenditure				
– improving services	(30)	(370)	(150)	(100)
Total loan funding requirement	(60)	(400)	(180)	(130)
TOTAL FUNDING REQUIREMENT	(1,933)	(2,733)	(2,448)	(2,360)

2004/05

OPERATING PROJECTS

CBD + / Hutt City Business Entity Funding

Marketing of CBD. \$240,000

Development Wainuiomata

Strategy promoting growth in Wainuiomata. \$50,000

Economic Development Strategy

Implementation of Economic Development Strategy. \$150,000

Events Funding

Funding for promotional events. \$245,000

International Cities

International cooperation with sister cities. \$50,000

Jackson Street Programme Business Plan

Implementation of JSP business plan initiatives. \$28,000

Jackson Street Programme Core Funding

Jackson Street Programme funding. \$80,000

Positively Wellington Business

Hutt contribution to Positively Wellington Business. \$410,000

Regional Development Strategy

Council funding toward this strategy that will also be funded by other Councils in the region. Strategy is about working together to build on internationally competitive Wellington Region. \$100,000

Small Business

Assistance for small business. \$50,000

CARRY OVER 2003/04

Visitor Information \$55,000

Total \$1,458,500

MAINTAINING SERVICES (ASSET RENEWALS)

Seaview/Gracefield

Maintenance of assets in and around the Seaview and Gracefield area, e.g. banners. \$30,000

Total \$30,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)

Seaview

Seaview/Gracefield developments. \$100,000

Wingate

Development of Wingate Industrial Area. \$150,000

CARRY OVERS 2003/04

Seaview/Gracefield \$35,000

Wingate \$85,000

Total \$370,000

2005/2006

OPERATING PROJECTS**CBD + / Hutt City Business Entity Funding**

Marketing of CBD.	\$240,000
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Development Wainuiomata

Strategy promoting growth in Wainuiomata.	\$40,000
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Economic Development Strategy

Implementation of Economic Development Strategy.	\$150,000
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Events Funding

Funding for promotional events.	\$245,000
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International Cities

International cooperation with sister cities.	\$50,000
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Jackson Street Programme Business Plan

Implementation of JSP business plan initiatives.	\$20,000
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Jackson Street Programme Core Funding

Jackson Street Programme funding.	\$80,000
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Positively Wellington Business

Hutt contribution to Positively Wellington Business.	\$410,000
--	-----------

Regional Development Strategy

Council funding toward this strategy that will also be funded by other Councils in the region. Strategy is about working together to build on internationally competitive Wellington Region.	\$100,000
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Small Business

Assistance for small business.	\$50,000
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Total	\$1,365,000
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IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Wingate**

Development of Wingate Industrial Area.	\$150,000
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Total	\$150,000
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2006/2007

OPERATING PROJECTS**CBD + / Hutt City Business Entity Funding**

Marketing of CBD.	\$240,000
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Economic Development Strategy

Implementation of Economic Development Strategy.	\$150,000
--	-----------

Events Funding

Funding for promotional events.	\$245,000
---------------------------------	-----------

International Cities

International cooperation with sister cities.	\$50,000
---	----------

Jackson Street Programme Core Funding

Jackson Street Programme funding.	\$80,000
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Positively Wellington Business

Hutt contribution to Positively Wellington Business.	\$410,000
--	-----------

Regional Development Strategy

Council funding toward this strategy that will also be funded by other Councils in the region. Strategy is about working together to build on internationally competitive Wellington Region.	\$100,000
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Small business

Assistance for small business.	\$50,000
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Total	\$1,325,000
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IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Seaview**

Seaview/Gracefield developments.	\$100,000
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Total	\$100,000
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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.

HUTT CITY COUNCIL STRATEGIC GOALS

- A best practice organisation that provides value for money and prudent management
- An organisation that values its customers and staff.

SIGNIFICANT ACTIVITIES

	PAGE
Activity 16: Elected Members	112
Activity 17: Advice and Support	114
Activity 18: Managing Services	116



Elected Members

WHAT WE DO

Council is an elected body that governs the direction and objectives of the activities it is responsible for on behalf of Hutt City. Community representatives on Community Boards and Ward Committees are part of Council and provide local input into governance issues.

WHY WE DO IT

This is a legal requirement.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
The long-term goal is to provide superior governance, in order to achieve Community Outcomes in the most efficient and timely manner.	Percentage of Hutt City residents that have seen or read Council's published information in the year.	Above peer Council average.
	Hutt City residents' satisfaction with the performance of the Mayor and Councillors.	Above peer Council average.
	Hutt City residents' satisfaction with the way rates are spent.	Above peer Council average.
	Average of Hutt City's residents' satisfaction across all standard community survey questions.	Above peer Council average.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Total operating revenue	–	–	–	–
Operating expenditure				
Employee costs	813	915	942	942
Support costs	492	516	515	516
Operating costs	62	66	66	66
Total operating expenditure	1,367	1,497	1,523	1,524
OPERATING DEFICIT BEFORE TAX	(1,367)	(1,497)	(1,523)	(1,524)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(1,367)	(1,497)	(1,523)	(1,524)
Total rates funding requirement	(1,367)	(1,497)	(1,523)	(1,524)
TOTAL FUNDING REQUIREMENT	(1,367)	(1,497)	(1,523)	(1,524)

Advice & Support

WHAT WE DO

This activity involves the process of policy formation, consultation and public accountability on behalf of Council.

WHY WE DO IT

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.

HOW WE DO IT

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Council provides advice and support to elected members and community representatives, which enables them to function effectively.	The majority of Councillors report that they are satisfied, or more than satisfied, with formal advice received from officers.	Councillors report they are satisfied or more than satisfied.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
Other revenue	–	70	–	–
Total operating revenue	–	70	–	–
Operating expenditure				
Support costs	2,788	3,014	3,008	3,017
Operating costs	280	248	30	30
Total operating expenditure	3,068	3,262	3,038	3,047
OPERATING DEFICIT BEFORE TAX	(3,068)	(3,192)	(3,038)	(3,047)

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

Rates funding requirement				
Operating deficit before tax	(3,068)	(3,192)	(3,038)	(3,047)
Transfer (to)/from operating reserve	(50)	(50)	100	(50)
Total rates funding requirement	(3,118)	(3,242)	(2,938)	(3,097)
TOTAL FUNDING REQUIREMENT	(3,118)	(3,242)	(2,938)	(3,097)

Managing Services

WHAT WE DO

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
- 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

How this activity contributes to strategic goals and Community Outcomes	How we measure progress	Our target
Prioritise and manage operating and capital expenditure.	Operating results. Capital results.	Within budget. Within budget.
Establish prudent risk management policies and monitor compliance.	Work related accidents.	Less than 6 resulting in time off work.
	Compliance with legal and policy requirements.	No significant non-compliance instances.

Implement the Baldrige Business Excellence Framework and obtain annual evaluation from the Business Excellence Foundation.	Application for assessment by the Business Excellence Foundation.	Achieve a Bronze Award.
Participate in benchmarking exercises and pursue identified best practice.	Results compared with peer organisations.	At least 80% of measures exceed peer organisation averages.
Operate a continuous improvement programme.	Number of organisation improvements, as reported by staff.	Achieve more than 700.
Elicit regular feedback from customers and staff, and address identified concerns.	Satisfaction ratings in surveys of customer satisfaction.	Exceed 80%.
	Satisfaction ratings in surveys of staff satisfaction.	Exceed 80%.
	Staff turnover.	Less than 15%.

STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Operating revenue				
User charges	950	875	875	875
Other revenue	2,265	132	132	132
Total operating revenue	3,215	1,007	1,007	1,007
Operating expenditure				
Employee costs	4,641	5,064	5,064	5,064
Operating costs	5,427	6,168	6,188	6,188
Net interest expense	(100)	–	–	–
Depreciation	1,171	1,337	1,293	1,327
Total operating expenditure	11,139	12,569	12,545	12,579
OPERATING DEFICIT BEFORE ALLOCATIONS	(7,924)	(11,562)	(11,538)	(11,572)
Less costs allocated to significant activities	10,019	11,562	11,538	11,572
OPERATING SURPLUS BEFORE TAX	2,095	–	–	–

PROSPECTIVE FUNDING REQUIREMENT

For the year ending 30 June 2005

	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s
Rates funding requirement				
Operating surplus before tax	2,095	–	–	–
Transfer to operating reserve	(110)	(110)	(110)	(110)
Transfer from loan funding	2,038	2,575	1,737	1,632
Total rates funding surplus	4,023	2,465	1,627	1,522
Loan funding requirement				
Capital expenditure				
– maintaining services	(1,288)	(1,194)	(1,800)	(500)
Capital expenditure				
– improving services	(54)	(280)	(370)	(310)
Less depreciation	1,171	1,337	1,293	1,327
Less asset sales	2,250	–	–	–
Transfer to rate funding	(2,038)	(2,575)	(1,737)	(1,632)
Total loan funding surplus/ (requirement)	41	(2,712)	(2,614)	(1,115)
TOTAL FUNDING SURPLUS/ (REQUIREMENT)	4,064	(247)	(987)	407

2004/05

OPERATING PROJECTS**Hutt City Council Expo**

The organisation and preparation of an Expo for 2005 as part of Council's consultation process on the Draft Community Plan next year. \$50,000

Hutt City Promotion Campaign

Implement strategy to promote Hutt City. \$180,000

Quality of Life Study

National study on quality of life in large metro cities to provide information to decision makers to improve quality of life in major New Zealand cities. \$25,000

Total **\$255,000**

MAINTAINING SERVICES (ASSET RENEWALS) 2004/05**General office expenditure**

Expenditure for health and safety equipment and general office furniture and equipment. \$30,000

PC Replacement Programme

Planned as part of the IM Strategic Plan to maintain IT infrastructure ensuring delivery of core services to customers. \$319,000

Printer Replacement Programme

Planned as part of the IM Strategic Plan to maintain IT infrastructure ensuring delivery of core services to customers. \$37,500

Server Replacement Programme

Purchase of additional storage capacity and replacement of servers. \$67,000

Network replacement

Renewal of network components. \$30,000

GEMS replacement programme (Year Three of Four)

Year Three of a four-year project to replace Council's Financial, Regulatory and Property systems. \$600,000

Library Systems Replacement (Year One of Three)

Year One of a three-year project to renew Library software. \$20,000

Windows XP Rollout

Planned as part of the IM Strategic Plan to maintain Corporate Software ensuring cost-effective IT services. \$90,000

Total **\$1,144,200**

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Software Enhancements**

To improve the performance of GIS and Asset Management systems for Council. \$140,000

Online Service Development

To continue development of web-based options for the delivery of core Council services. \$20,000

Mobile Devices

To improve service delivery and maximise return on investment in core software systems. \$40,000

Electronic Document Management

Year One of a three-year plan to digitise Council records. \$20,000

Customer Call Centre

Expenditure for PBX and call management software upgrades, and furniture to address Health and Safety issues. \$10,000

CARRY OVER 2003/04

Archives air conditioning \$50,000

Total **\$280,000**

2005/2006

OPERATING PROJECTS**Hutt City Promotion Campaign**

Implement strategy to promote Hutt City. \$200,000

Quality of Life Study

National study on quality of life in large metro cities to provide information to decision makers to improve quality of life in major New Zealand cities. \$10,000

Total \$210,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Core Business Application Enhancement**

The enhancement of core business applications within Council. \$100,000

Customer Call Centre

Expenditure for PBX and call management software upgrades, and furniture to address Health and Safety issues. \$10,000

Electronic Document Management

Year Two of a three-year plan to digitise Council records. \$200,000

Online Service Development

Continued development of web-based options for the delivery of core Council services. \$20,000

Mobile Devices

To improve service delivery and maximise return on investment in core software systems. \$40,000

Total \$370,000

2006/2007

OPERATING PROJECTS**Hutt City Promotion Campaign**

Implement strategy to promote Hutt City. \$200,000

Quality of Life Study

National study on quality of life in large metro cities to provide information to decision makers to improve quality of life in major New Zealand cities. \$25,000

Total \$225,000

IMPROVING SERVICES (ASSET UPGRADES AND NEW ASSETS)**Customer Call Centre**

Expenditure for PBX and call management software upgrades, and furniture to address Health and Safety issues. \$10,000

Core Business Application Enhancement

The enhancement of core business applications within Council. \$100,000

Electronic Document Management

Year Three of a three-year plan to digitise Council records. \$100,000

Online Service Development

Continued development of web-based options for the delivery of core Council services. \$100,000

Total \$310,000



Asset
Management Planning



Asset Management Plan

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, and
- 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 assets' 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.

GROUP OF ASSETS MANAGED BY COUNCIL

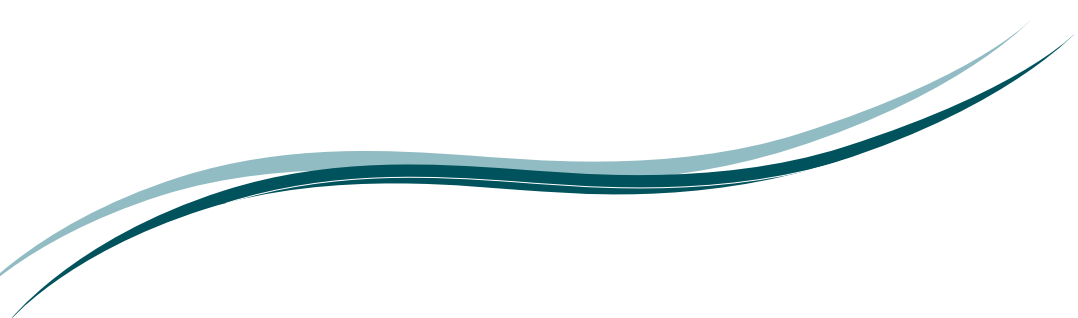
Community Assets

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:

- 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.

Levels of Service

Intended levels of service are set out under the section entitled ‘How we measure progress’ (see page 54):

- Percentage of Hutt City users who are satisfied with recreation programmes
- Percentage of Hutt City residents who are satisfied with pools
- At least 750,000 people access the pools, at an average net cost per user of \$3.96 per visit
- At least 65% of Hutt City residents use the pool during the year
- All pools achieve and maintain ACC Poolsafe certification
- Council maintains its ‘Out of School Care and Recreation’ (OSCAR) accreditations for its school holiday programmes
- At least 300 programmes and events are carried out with an increasing participation trend across all programmes
- Programmes to maintain and improve current services are completed on time, to the required standard and within the overall budget.

These levels of service are subject to review. Further detailed measures are contained in the Asset Management Plan.

Assessment of Swimming Pool Services

An assessment of swimming pool services will be included in Community Plans in the future.

Property

The property activities contribute to the following Community Outcomes:

- A city that is safe, friendly and welcoming, where people experience a feeling of belonging
- A quality standard of affordable housing
- Affordable access to community facilities that include arts, cultural and recreational options.

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 the needs of customers
- 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 subject 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
- As part of 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.

Levels of Service

Intended levels of service are set out under the section entitled 'How we measure progress' (see page 68):

- 90% occupancy for rental housing
- 90% occupancy for commercial properties
- At least 80% of Hutt City residents are satisfied with public halls
- At least 60% of Hutt City residents are satisfied with public toilets.

Parks and Reserves

Parks and Reserves contributes to two of the city's Community Outcomes. They include:

- Affordable access to community facilities that include arts, cultural and recreational options
- A healthy balance between natural and built environments.

The city has 2,000 hectares of parks and reserves, 51 children's playgrounds and 27 sports fields which Council utilises.

Council has reached agreement with Greater Wellington – The Regional Council whereby Greater Wellington will assume the management responsibility for certain land areas. These include:

- Fee simple holdings in the ownership of Council
- Gazetted reserves presently managed by Council under the Reserves Act 1977
- Gazetted reserves under the control of the Department of Conservation which are managed by Council.

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.

Levels of Service

Intended levels of service are set out under the section entitled 'How we measure progress' (see page 58):

- Percentage of Hutt City users who are satisfied with parks and reserves
- Percentage of sports field utilisation per year
- 95% of sports fields meet the standards agreed with sports codes
- Percentage of Hutt City residents who are satisfied with cemeteries
- Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget.

Assessment of Parks and Reserves Services

An assessment of parks and reserves services will be included in Community Plans in the future.

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:

- A healthy balance between natural and built environments
- 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 due 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 accidents citywide has been reduced markedly over the last 12 years from 333 in 1990 to 148 in 2002.

A seismic review has been undertaken on the city's bridges to determine which bridges 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' along with a contribution, programmed for 2004/05, for the strengthening of the Silverstream Bridge that is managed by the Upper Hutt City Council. It is hoped that this work will significantly reduce the disruption to movement around the city in the event of a major earthquake.

Level of Service

Intended levels of service are set out under the section entitled 'How we measure progress' (see page 74):

- Percentage of Hutt City residents who are satisfied with the standard and safety of streets, roads and footpaths
- Percentage of Hutt City residents who are satisfied with the safety and convenience of movement around the city's streets
- Road condition
- Percentage of Hutt City residents who are satisfied with street lighting around Hutt City
- The trend in reducing injury accidents through joint efforts of Council, the Police and other agencies is maintained
- Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget
- Number of injury accidents.

Assessment of Roading and Traffic

An assessment of roading and traffic will be included in Community Plans in the future.

Water Supply

The supply of high quality, affordable water for domestic and commercial use contributes primarily to Community Outcomes:

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

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, 11 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:

- *Provision of water*

New hydrants were installed in 2003/04 at a cost of \$30,000, to provide water in an emergency.

- *Maintaining storage in reservoirs*

There is an ongoing programme to install auto shut-off valves at key reservoirs. This cost \$50,000 in 2003/04 and a further \$200,000 has been approved in 2004/05.

- *Emergency repairs*

Purchasing essential pipeline materials for repairs approved in 2004/05 at a cost of \$50,000.

- **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 at a cost of \$95,000. Link mains in Tama Street/North Street and Hutt Road/Wakefield Street to connect Petone and Hutt City water supply systems at a cost of \$300,000 will be considered in 2005/06.

Levels of Service

Intended levels of service are set out under the section entitled 'How we measure progress' (see page 80):

- Percentage of Hutt City residents who are satisfied with the water supply service
- Compliance with New Zealand Drinking Water Standards
- The number of unplanned supply interruptions per 100 connections
- Fire Service reports identify less than 1% of Hutt City fire hydrants as not complying with New Zealand Fire Service Codes of Practice for fire-fighting water supply.

These levels of service are subject to review. Further detailed measures are contained in the Asset Management Plan.

Capital expenditure is expected to trend upwards reflecting the age profile of the network and the additional assets required to close the service gaps.

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.

Assessment of Water Supply Services

An assessment of water supply services will be included in Community Plans in the future.

Stormwater

The stormwater activity primarily contributes to Community Outcomes:

- Clean air, water and land, and to a lesser extent
- A local economy that is attractive to both businesses and residents
- A healthy balance between natural and built environments.

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.
- **Upgrading of assets and new assets**
 - Greater Wellington – The Regional Council is undertaking major Hutt River upgrading work between the Ava Rail Bridge and the Ewen Bridge. Council undertook upgrading of stormwater outlets to the Hutt River alongside this project at a cost of \$165,000 in 2003/04. Further upgrading works including other stormwater improvements will be considered in 2004/05 at an estimated cost of \$1.4 million.
 - A new pump station at the mouth of the Opahu Stream will also be considered. The Opahu Stream Pumping Station, scheduled for 2005/06 at a cost of \$1.5 million, will reduce the flooding that occurs when high Hutt River water levels restrict the Opahu Stream's ability to discharge into the Hutt River.

Levels of Service

Intended levels of service are set out under the section entitled 'How we measure progress' (see page 88):

- Percentage of Hutt City residents who are satisfied with stormwater service
- The number of stormwater reticulation incidents per five kilometres of public stormwater drain which are reported to Council
- Programmes to maintain and improve current services are completed on time, to the required standard and within overall budget

These levels of service are subject to review. Further detailed measures are contained in the Asset Management Plan.

The capital expenditure is expected to trend upwards reflecting the age profile of the network and the additional assets required to close the service gaps.

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 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.

Assessment of Stormwater Services

An assessment of stormwater services will be included in Community Plans in the future.

Wastewater

The wastewater activity primarily contributes to Community Outcomes:

- Clean air, water and land, and to a lesser extent
- A local economy that is attractive to both businesses and residents
- A healthy balance between natural and built environments.

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.

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.

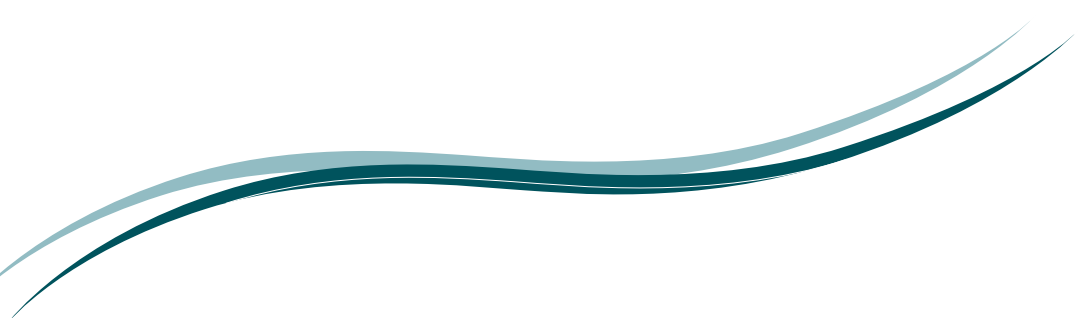
Council has a comprehensive strategy in place to reduce incidences of overflow from the system. This comprises:

- **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 cooperation 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 \$470,000. 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.** Storage tanks will be built in Silverstream by 2005/06 at a cost of approximately \$10 million. The storage tanks will eliminate the Welcon Scour overflows into the Hutt River and minimise and improve the quality of any overflows into the Hutt River.

Levels of Service

Intended levels of service are set out under the section entitled 'How we measure progress' (see page 84):

- Percentage of Hutt City residents who are satisfied with wastewater service
- The number of wastewater reticulation incidents per kilometre of pipeline which are reported to Council
- Seaview wastewater treatment facilities achieve compliance with relevant resource consent requirements

- 
- Programmes to maintain and improve current services are completed on time, to required standards and within overall budget.

These levels of service are subject to review. Further detailed measures are contained in the Asset Management Plan.

Capital expenditure is expected to trend upwards reflecting the age profile of the network and the additional assets required to close the service gaps.

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 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.

Assessment of Wastewater Services

An assessment of wastewater services will be included in Community Plans in the future.

MAJOR PROJECTS \$50,000 AND OVER

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Activity 1. Libraries										
Book renewals	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000	\$642,000
Activity 2. Museums										
Dowse upgrade		\$4,500,000								
Settlers' extensions			\$1,200,000							
Activity 3. Aquatics and Recreation										
Huia – ventilation and heat recovery		\$200,000								
Huia – roof membranes						\$200,000				
Huia fitness suite (gym)			\$200,000							
Huia – refurbish steel roof			\$50,000							
Naenae – fitness suite (gym)		\$120,000								
Naenae – refurbish office		\$50,000								
Naenae – install leisure attraction			\$50,000							
Naenae – bulkhead replacement			\$100,000							
Naenae – replace filters									\$500,000	
Activity 4. Parks and Reserves										
Carparks at Hugh Sinclair Park	\$80,000									
Hugh Sinclair Park – other		\$50,000	\$50,000							
Development of burial sites at Taita lawn cemetery	\$80,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000	\$85,000
Hutt Park redevelopment			\$1,000,000			\$1,000,000				
Petone entrance upgrade		\$100,000								
Avalon Park development	\$50,000	\$100,000	\$100,000							
New cemetery development	\$50,000			\$1,000,000	\$1,000,000					
Playgrounds upgrade	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000	\$110,000
Lowry Bay reclamation			\$130,000							
Percy Scenic Reserve upgrade	\$150,000									
Walter Mildenhall Park upgrade					\$300,000					
Hutt Park Sports Zone	\$3,200,000									
Hutt Park village Green	\$985,000									

MAJOR PROJECTS \$50,000 AND OVER

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Memorial Park Stand upgrade	\$500,000									
Korohiwa Bay development	\$200,000		\$250,000				\$250,000			
Wharf renovation	\$300,000					\$300,000				
Petone Hockey Facility			\$100,000							
Destination park improvements				\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
Activity 6. Community Property										
Halls – Renewal and Upgrade of Services		\$55,000		\$60,000	\$60,000	\$60,000	\$60,000	\$65,000	\$65,000	\$70,000
Commercial Property – Modernisation of facilities	\$53,000	\$25,000	\$120,000	\$100,000	\$50,000	\$100,000	\$80,000	\$100,000	\$100,000	\$100,000
Public toilets – Replacement and Upgrading of Services				\$60,000	\$60,000			\$30,000	\$40,000	
Administration Building Upgrade	\$120,000									
Town Hall Upgrade	\$300,000									
Activity 7. Roothing and Traffic										
SH2 upgrade	\$50,000	\$200,000								
High/Daysh/Fairway roundabout	\$500,000									
Traffic safety improvements	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Eastern Bays walkway	\$475,000		\$220,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000	\$70,000
Bridge strengthening	\$140,000									
Silverstream Bridge upgrading	\$500,000									
Upgrading Hill Roads	\$180,000	\$259,000	\$250,000	\$445,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000	\$150,000
Road Reconstruction Improvements		\$80,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000	\$20,000
Residential Road Lighting	\$160,000	\$160,000	\$160,000	\$160,000	\$160,000					
Pedestrian Crossings	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
Cycleways	\$100,000	\$100,000	\$100,000	\$50,000	\$50,000	\$50,000	\$50,000			
Valley Floor Connector Improvements		\$1,000,000								
Traffic Calming	\$30,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000

MAJOR PROJECTS \$50,000 AND OVER

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Woburn Pedestrian Signals				\$125,000						
Taita Bus Improvements	\$40,000									
Udy Street/Hutt Road Roundabout	\$320,000									
Activity 8. Water Supply										
Petone/Hutt link mains		\$380,000								
Reservoir auto shut-off valves	\$200,000									
Reservoir emergency hydrants										
SCADA reservoir control	\$20,000									
Purchase essential pipeline materials for an emergency	\$50,000									
Kelson/Fairway Link Main			\$250,000							
Sweetacres Reservoir				\$650,000						
Eastern Bays / Seaview Link Main					\$250,000					
Gawler Reservoir Main						\$200,000	\$170,000			
Normandale Reservoir								\$130,000	\$130,000	\$1,000,000
Activity 9. Wastewater										
Malone Road & Whites Line East pumping stations and mains			\$470,000							
Sorrento Bay, Williams Park, Wood Street flow meters	\$50,000									
Howard Road pump station – second pump	\$60,000									
Te Whiti Grove Korokoro new sewer		\$170,000								
George Gee, Kereru, Titiro Moana flow meters		50,000								
St Albans, Howard Road, Mahina Bay flow meters			\$50,000							
Trunk wastewater – project management and administration	\$262,352	\$262,352	\$160,000							
Trunk Wastewater – consult, monitoring & RMA processes	\$60,000	\$60,000								
Trunk wastewater – excess flow management	\$2,130,000	\$6,190,000	\$120,000							
Trunk wastewater – Type B network development	\$315,000	\$990,000	\$625,000	\$350,000	\$350,000	\$100,000	\$50,000	\$100,000	\$50,000	
Trunk wastewater – Type A asset development	\$230,000	\$430,000	\$300,000	\$200,000	\$200,000	\$150,000	\$150,000	\$150,000	\$150,000	

MAJOR PROJECTS

	2004/05	2005/06	2006/07	2007/08	2008/09	2009/10	2010/11	2011/12	2012/13	2013/14
Trunk wastewater – MOS Boost pump station									\$7,000,000	
Trunk wastewater – Main Outfall Sewer renewal								\$11,000,000	\$11,000,000	\$11,000,000
Trunk wastewater – Pipeline cyclic replacement		\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Activity 10. Stormwater										
Opahu Stream pumping station	\$85,000	\$1,500,000								
Hutt River floodplain upgrade		\$350,000	\$350,000	\$250,000	\$250,000	\$200,000				
Jackson Street Stormwater improvements		\$280,000	\$200,000	\$200,000						
Awamutu Stream improvements			\$185,000							
Puketea Street Stormwater Improvements	\$500,000									
Marine Parade Stormwater Improvements	\$130,000									
Other Stormwater Improvements	\$785,000									
Black Creek Wainuiomata Stormwater Improvements	\$250,000	\$1,250,000	\$1,000,000							
Activity 11. Solid Waste										
Silverstream Landfill – Stage 1 minor works for resource consent	\$200,000	\$100,000								
Silverstream Landfill – Stage 1 minor works closure costs	\$100,000	\$100,000								
Silverstream Landfill – Stage 2 design and construction	\$1,405,000	\$4,100,000	\$3,100,000	\$690,000		\$245,000	\$1,798,000	\$225,000	\$1,648,000	\$276,000
Activity 14. Local Urban Design										
Suburban shopping centres	\$167,000	\$167,000	\$167,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000	\$100,000
CBD development	\$300,000			\$200,000						
CBD Masterplan	\$500,000	\$1,500,000								
Activity 15. Economic Development										
Development of Wingate industrial area	\$150,000	\$150,000								
Seaview/Gracefield developments	\$100,000		\$100,000							
Wellington Regional Strategy	\$100,000	\$100,000	\$100,000							
Activity 18. Managing Services										
Core business application enhancement	\$140,000	\$160,000								
Electronic document management		\$200,000								
City Promotion	\$180,000	\$200,000	\$200,000							



Forecast
Financial Statements



Forecast Financial Statements 2004–2014

FORECAST FINANCIAL STATEMENTS 2004–2014

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.

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 estimates of costs into the future. It is likely that changes will be required as events evolve and as the results of the tender process for major projects become known.

SIGNIFICANT ASSUMPTIONS

The following assumptions have been made in preparing the Forecast Financial Statements:

- Service levels are generally assumed to remain the same for the period covered by the Forecast Financial Statements
- Population is assumed to remain static, or change only marginally
- Provision has been made for inflation for the 2004/2005 financial year, but no further inflation has been provided for in subsequent financial years
- The average interest rate on debt is assumed to be 7.0%. This is based on the pattern of existing commitments and judgements about future trends
- Asset sales are included in accordance with Council's resolutions, and proceeds will be used to repay debt or fund asset purchases
- Net debt will be below \$60 million in June 2010. Council has increased this from \$45 million
- Depreciation and interest costs will be fully funded from rates and other operating revenue

- Capital expenditure will be funded by loans, capital subsidies, transfers from reserves, rate funded depreciation charges and asset sales
- The recently established joint entity to manage water related activities (together with Wellington City Council) will proceed as planned and generate the predicted cost reductions.

COMPARISON WITH COUNCIL'S FORECAST FINANCIAL STATEMENTS 2003–2013

These Forecast Financial Statements are similar to the 2003–2013 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
- Projections of proceeds from asset sales have been increased as a result of market conditions and identifying additional surplus assets
- The Forecast Financial Statements have been rolled forward to include 2014.
- The net debt target for 2010 has been revised upwards from \$45 million to \$60 million

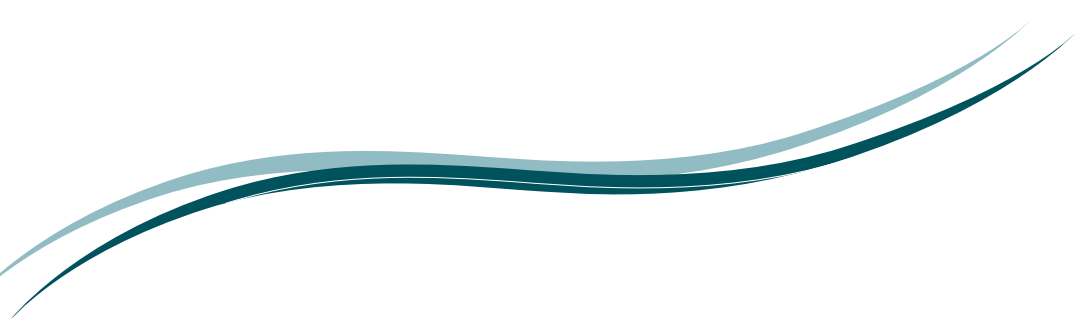
RISK

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 used conservative estimates for the likely proceeds from the sales of assets. However, 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 the 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.

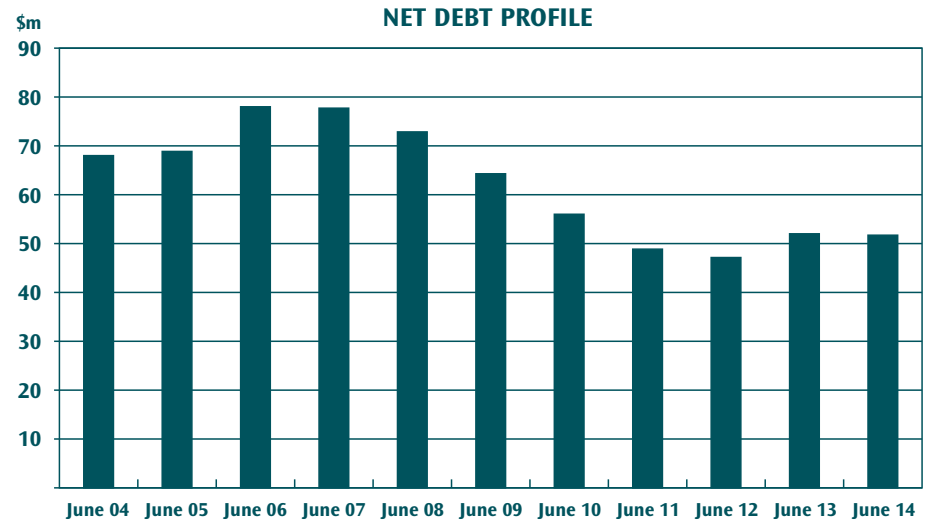
COMMITMENTS AND CONTINGENCIES

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.



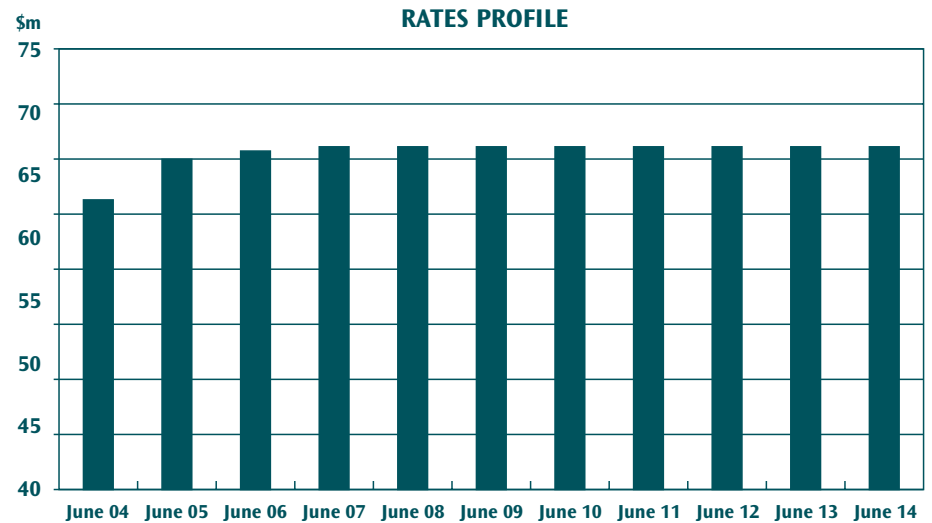
Net Debt Profile in 2004/2005 Dollars

This graph shows the level of net debt based upon the 2004/2005 Forecast Financial Statements.



Total Rates Income in 2004/2005 Dollars

This graph shows the forecast rate levels based upon the 2004/2005 Forecast Financial Statements.



FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE OPERATING COST OF ACTIVITIES

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
People												
Libraries	4,888	5,399	6,077	5,998	5,978	5,897	5,859	5,834	5,811	5,791	5,773	5,763
Museums	2,013	2,106	2,026	2,499	2,545	2,539	2,529	2,515	2,507	2,501	2,499	2,497
Aquatics and Recreation	5,001	4,706	4,672	4,667	4,680	4,663	4,639	4,615	4,595	4,577	4,566	4,556
Parks and Reserves	7,517	7,961	8,404	8,257	8,216	8,185	8,133	8,074	8,025	7,995	8,004	8,020
Community Support	2,324	1,982	2,130	2,165	2,166	2,156	2,154	2,154	2,154	2,154	2,154	2,154
Community Property	3,755	3,310	3,050	2,961	2,917	2,907	2,862	2,814	2,767	2,734	2,731	2,732
Total operating cost of People activities	25,498	25,464	26,359	26,547	26,502	26,347	26,176	26,006	25,859	25,752	25,727	25,722
Utility Services												
Roading and Traffic	15,828	19,047	18,320	17,902	18,006	17,914	17,756	17,552	17,368	17,258	17,282	17,327
Water Supply	12,242	12,509	12,538	12,453	12,401	12,295	12,178	12,080	11,987	11,925	11,916	11,932
Wastewater	13,519	14,700	14,939	15,055	15,155	15,035	14,859	14,686	14,525	14,592	15,024	15,459
Stormwater	4,354	5,512	4,789	4,690	4,699	4,626	4,516	4,424	4,336	4,279	4,275	4,281
Solid Waste	4,473	4,886	4,640	5,210	5,318	5,160	5,119	5,060	5,074	5,089	5,097	5,104
Total operating cost of Utility Services activities	50,416	56,654	55,226	55,310	55,579	55,030	54,428	53,802	53,290	53,143	53,594	54,103
Environment												
Environmental Management	4,361	4,382	4,974	4,971	4,923	4,955	4,952	4,950	4,950	4,950	4,950	4,948
Emergency Management	515	551	582	574	568	560	557	555	554	554	553	553
Total operating cost of Environment activities	4,876	4,933	5,556	5,545	5,491	5,515	5,509	5,505	5,504	5,504	5,503	5,501
Economy												
Local Urban Design	481	326	370	387	423	426	427	422	421	419	417	415
Economic Development	1,804	1,873	2,348	2,283	2,245	2,132	2,130	2,127	2,126	2,126	2,126	2,126
Total operating cost of Economy activities	2,285	2,199	2,718	2,670	2,668	2,558	2,557	2,549	2,547	2,545	2,543	2,541

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE OPERATING COST OF ACTIVITIES

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Organisation												
Elected Members	1,181	1,367	1,497	1,523	1,524	1,512	1,511	1,510	1,510	1,511	1,511	1,511
Advice and Support	2,723	3,068	3,262	3,038	3,047	3,194	2,967	2,962	3,183	2,968	2,966	3,183
Managing Services	3,980	1,320	1,176	1,114	1,113	1,115	1,114	1,113	1,115	1,114	1,113	1,115
Consolidated cost adjustments	(1,601)	(2,813)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)	(3,177)
Total operating cost of Organisation activities	6,283	2,942	2,758	2,498	2,507	2,644	2,415	2,408	2,631	2,416	2,413	2,632
TOTAL OPERATING COST OF ACTIVITIES	89,358	92,192	92,617	92,570	92,747	92,094	91,085	90,270	89,831	89,360	89,780	90,499

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE CAPITAL COST OF ACTIVITIES

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
People												
Libraries	63	3,765	1,746	702	728	710	710	710	710	710	710	710
Museums	14	40	533	4,571	1,211	41	11	11	11	11	11	11
Aquatics and Recreation	135	304	359	660	650	225	225	225	225	225	225	225
Parks and Reserves	1,934	1,785	6,476	1,449	880	665	685	1,615	1,315	645	645	645
Community Support	–	–	–	–	–	–	–	–	–	–	–	–
Community Property	314	635	961	166	226	570	520	520	555	595	680	645
Total capital cost of People activities	2,460	6,529	10,075	7,548	3,695	2,211	2,151	3,081	2,816	2,186	2,271	2,236
Utility Services												
Roading and Traffic	5,628	7,471	8,075	8,057	6,846	6,792	5,910	5,822	5,832	5,600	5,625	5,532
Water Supply	1,346	1,126	1,170	1,460	1,290	1,810	1,420	1,210	1,190	1,470	1,500	2,600
Wastewater	2,946	4,164	4,291	10,420	4,300	3,360	3,390	3,027	3,270	14,380	21,290	14,420
Stormwater	1,198	640	2,250	3,770	2,045	1,560	800	785	735	815	760	850
Solid Waste	712	600	1,650	4,350	3,350	800	150	300	1,850	300	1,750	300
Total capital cost of Utility Services activities	11,830	14,001	17,436	28,057	17,831	14,322	11,670	11,144	12,877	22,565	30,925	23,702
Environment												
Environmental Management	–	5	27	–	–	–	–	–	–	–	–	–
Emergency Management	110	–	–	–	–	–	–	–	–	–	–	–
Total capital cost of Environment activities	110	5	27	–	–	–	–	–	–	–	–	–
Economy												
Local Urban Design	360	441	1,247	1,767	266	300	100	100	100	100	100	100
Economic Development	150	60	400	180	130	130	30	30	30	30	30	30
Total capital cost of Economy activities	510	501	1,647	1,947	396	430	130	130	130	130	130	130

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE CAPITAL COST OF ACTIVITIES

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Organisation												
Elected Members	–	–	–	–	–	–	–	–	–	–	–	–
Advice and Support	–	–	–	–	–	–	–	–	–	–	–	–
Managing Services	958	1,342	1,474	2,170	810	1,030	1,050	1,169	1,390	1,170	1,180	1,230
Consolidated cost adjustments	–	–	–	–	–	–	–	–	–	–	–	–
Total capital cost of Organisation activities	958	1,342	1,474	2,170	810	1,030	1,050	1,169	1,390	1,170	1,180	1,230
TOTAL CAPITAL COST OF ACTIVITIES	15,868	22,378	30,659	39,722	22,732	17,993	15,001	15,524	17,213	26,051	34,506	27,298

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE FINANCIAL PERFORMANCE

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Operating revenue												
Rates funding	60,022	62,400	65,458	66,113	66,444	66,444	66,444	66,444	66,444	66,444	66,444	66,444
User charges	18,558	19,890	18,710	18,710	18,710	18,710	18,710	18,710	18,710	18,710	18,710	18,710
Operating subsidies	1,860	3,536	2,493	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170	2,170
Capital subsidies	1,877	2,514	3,773	6,107	2,846	2,510	2,277	2,300	2,329	2,266	2,278	2,235
Upper Hutt City Council operating contribution	1,623	1,988	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,036	2,036
Interest earned	298	200	169	107	106	108	107	106	108	107	106	108
Gain on disposal of assets	1,436	–	–	–	–	–	–	–	–	–	–	–
Other revenue	7,018	2,635	1,336	1,707	1,809	1,884	1,820	1,826	1,902	1,832	1,832	1,902
Total operating revenue	92,692	93,163	93,975	96,950	94,121	93,862	93,564	93,592	93,699	93,565	93,576	93,605
Operating expenditure												
Employee costs	15,488	16,308	16,803	16,914	16,914	16,914	16,914	16,914	16,914	16,914	16,914	16,914
Operating costs	48,862	50,981	50,497	49,493	49,193	49,022	48,682	48,688	48,904	48,687	48,687	48,907
Interest expenditure	5,916	5,250	5,073	5,473	5,703	5,524	5,062	4,471	3,936	3,619	3,723	3,890
Depreciation	19,092	19,653	20,244	20,690	20,937	20,634	20,427	20,197	20,077	20,140	20,456	20,788
Total operating expenditure	89,358	92,192	92,617	92,570	92,747	92,094	91,085	90,270	89,831	89,360	89,780	90,499
OPERATING SURPLUS BEFORE TAX	3,334	971	1,358	4,380	1,374	1,768	2,479	3,322	3,868	4,205	3,796	3,106
Tax benefit	–	–	–	–	–	–	–	–	–	–	–	–
NET SURPLUS AFTER TAX	3,334	971	1,358	4,380	1,374	1,768	2,479	3,322	3,868	4,205	3,796	3,106

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE MOVEMENTS IN EQUITY

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Total equity												
At beginning of the year	665,895	731,393	732,364	733,722	738,102	739,476	741,244	743,723	747,045	750,913	755,118	758,914
Net surplus after tax	3,334	971	1,358	4,380	1,374	1,768	2,479	3,322	3,868	4,205	3,796	3,106
Change in asset revaluation reserves and other movements	62,164	–	–	–	–	–	–	–	–	–	–	–
Total recognised revenue and expenses for the year	65,498	971	1,358	4,380	1,374	1,768	2,479	3,322	3,868	4,205	3,796	3,106
TOTAL EQUITY AT END OF THE YEAR	731,393	732,364	733,722	738,102	739,476	741,244	743,723	747,045	750,913	755,118	758,914	762,020

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE FINANCIAL POSITION

As at 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Equity												
Accumulated funds	405,525	406,671	407,924	412,404	413,728	415,446	418,025	421,297	425,115	429,420	433,166	436,222
Restricted reserves	55	55	55	55	55	55	55	55	55	55	55	55
Council created reserves	5,409	5,234	5,339	5,239	5,289	5,339	5,239	5,289	5,339	5,239	5,289	5,339
Revaluation reserves	320,404	320,404	320,404	320,404	320,404	320,404	320,404	320,404	320,404	320,404	320,404	320,404
TOTAL EQUITY	731,393	732,364	733,722	738,102	739,476	741,244	743,723	747,045	750,913	755,118	758,914	762,020
Represented by:												
Current assets												
Cash and short term deposits	6,730	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770
Sinking funds – current	1,077	–	–	–	–	–	–	–	–	–	–	–
Property intended for sale	1,190	5,074	3,000	–	–	–	–	–	–	–	–	–
Other current assets	5,404	7,654	5,404	5,404	5,404	5,404	5,404	5,404	5,404	5,404	5,404	5,404
Total current assets	14,401	16,448	12,174	9,074	9,124	9,174	9,074	9,124	9,174	9,074	9,124	9,174
Non-current assets												
Property, plant and equipment	806,868	803,901	810,476	826,877	828,006	824,889	818,987	813,951	810,682	813,081	821,689	824,687
Assets under construction	1,820	413	413	413	413	413	413	413	413	413	413	413
Sinking funds – non-current	71	–	–	–	–	–	–	–	–	–	–	–
Investments in subsidiaries	3,195	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545	2,545
Other non-current assets	321	321	321	321	321	321	321	321	321	321	321	321
Total non-current assets	812,275	807,180	813,755	830,156	831,285	828,168	822,266	817,230	813,961	816,360	824,968	827,966
Total assets	826,676	823,628	825,929	839,230	840,409	837,342	831,340	826,354	823,135	825,434	834,092	837,140

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE FINANCIAL POSITION

As at 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Current liabilities												
Bank overdraft (unsecured)	2,554	–	–	–	–	–	–	–	–	–	–	–
Public debt – current	57,272	56,703	57,646	66,567	66,372	61,537	53,056	44,748	37,661	35,755	40,617	40,559
Other current liabilities	16,904	16,473	16,473	16,473	16,473	16,473	16,473	16,473	16,473	16,473	16,473	16,473
Total current liabilities	76,730	73,176	74,119	83,040	82,845	78,010	69,529	61,221	54,134	52,228	57,090	57,032
Non-current liabilities												
Public debt – non-current	15,465	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Other non-current liabilities	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088	3,088
Total non-current liabilities	18,553	18,088	18,088	18,088	18,088	18,088	18,088	18,088	18,088	18,088	18,088	18,088
Total liabilities	95,283	91,264	92,207	101,128	100,933	96,098	87,617	79,309	72,222	70,316	75,178	75,120
NET ASSETS	731,393	732,364	733,722	738,102	739,476	741,244	743,723	747,045	750,913	755,118	758,914	762,020

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE CASH FLOWS

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Cash flows from operating activities												
Cash was provided from:												
Rates	60,081	62,400	65,458	66,113	66,444	66,444	66,444	66,444	66,444	66,444	66,444	66,444
User charges and other income	26,269	28,963	28,348	30,730	27,571	27,310	27,013	27,042	27,147	27,014	27,026	27,053
Interest received	350	200	169	107	106	108	107	106	108	107	106	108
Tax received	32	–	–	–	–	–	–	–	–	–	–	–
Regional Council rates	11,106	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100
	97,838	102,663	105,075	108,050	105,221	104,962	104,664	104,692	104,799	104,665	104,676	104,705
Cash was applied to:												
Payments to suppliers and employees	64,470	67,720	67,300	66,407	66,107	65,936	65,596	65,602	65,818	65,601	65,601	65,821
Interest paid	6,219	5,250	5,073	5,473	5,703	5,524	5,062	4,471	3,936	3,619	3,723	3,890
Regional Council rates	11,121	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100	11,100
Net GST paid to IRD	350	–	–	–	–	–	–	–	–	–	–	–
	82,160	84,070	83,473	82,980	82,910	82,560	81,758	81,173	80,854	80,320	80,424	80,811
Net cash flows from operating activities	15,678	18,593	21,602	25,070	22,311	22,402	22,906	23,519	23,945	24,345	24,252	23,894
Cash flows from investing activities												
Cash was provided from:												
Sale of property, plant and equipment	5,006	2,700	7,324	3,000	–	–	–	–	–	–	–	–
Withdrawals from sinking funds	13,816	2,745	–	–	–	–	–	–	–	–	–	–
Other receipts and investments	5,545	–	–	–	–	–	–	–	–	–	–	–
	24,367	5,445	7,324	3,000	–	–	–	–	–	–	–	–

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE CASH FLOWS

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Cash was applied to:												
Purchase and construction of property, plant and equipment	17,437	22,378	30,659	39,722	22,732	17,993	15,001	15,524	17,213	26,051	34,506	27,298
less UHCC capital contribution	(380)	(515)	(840)	(2,631)	(666)	(476)	(476)	(363)	(405)	(3,512)	(5,442)	(3,512)
Contributions to sinking funds	2,559	1,597	–	–	–	–	–	–	–	–	–	–
Other investments and payments	317	–	–	–	–	–	–	–	–	–	–	–
	19,933	23,460	29,819	37,091	22,066	17,517	14,525	15,161	16,808	22,539	29,064	23,786
Net cash flows from investing activities	4,434	(18,015)	(22,495)	(34,091)	(22,066)	(17,517)	(14,525)	(15,161)	(16,808)	(22,539)	(29,064)	(23,786)
Cash flows from financing activities												
Cash was provided from:												
Funds raised from public debt	293,503	228,054	227,755	239,505	266,073	260,653	237,667	203,916	171,905	148,738	147,882	162,410
	293,503	228,054	227,755	239,505	266,073	260,653	237,667	203,916	171,905	148,738	147,882	162,410
Cash was applied to:												
Repayment of public debt	315,208	229,088	226,812	230,584	266,268	265,488	246,148	212,224	178,992	150,644	143,020	162,468
	315,208	229,088	226,812	230,584	266,268	265,488	246,148	212,224	178,992	150,644	143,020	162,468
Net cash flows from financing activities	(21,705)	(1,034)	943	8,921	(195)	(4,835)	(8,481)	(8,308)	(7,087)	(1,906)	4,862	(58)
Net (decrease)/increase in cash	(1,593)	(456)	50	(100)	50	50	(100)	50	50	(100)	50	50
Plus cash balance at beginning of the year	5,769	4,176	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770	3,670	3,720
Cash balance at end of the year	4,176	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770
Cash balance at end of the year comprises:												
Cash and on call deposits	6,730	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770
Bank overdraft (unsecured)	(2,554)	–	–	–	–	–	–	–	–	–	–	–
Cash balance at end of the year	4,176	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770	3,670	3,720	3,770

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE NET DEBT POSITION

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Net debt at beginning of the year												
Current debt	88,948	57,272	56,703	57,646	66,567	66,372	61,537	53,056	44,748	37,661	35,755	40,617
Non-current debt	5,494	15,465	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Less: Sinking funds	(12,450)	(1,148)	–	–	–	–	–	–	–	–	–	–
Less: Cash and short term deposits	(5,769)	(4,176)	(3,720)	(3,770)	(3,670)	(3,720)	(3,770)	(3,670)	(3,720)	(3,770)	(3,670)	(3,720)
Net debt at beginning of the year	76,223	67,413	67,983	68,876	77,897	77,652	72,767	64,386	56,028	48,891	47,085	51,897
Plus capital expenditure												
Capped expenditure improving services	4,799	7,733	14,966	15,080	6,731	4,684	2,824	3,214	3,164	2,619	2,619	3,454
Carry-over of capped expenditure	692	679	–	–	–	–	–	–	–	–	–	–
Non-capped expenditure improving services	2,450	2,851	4,188	12,260	4,825	1,650	1,000	750	2,200	750	9,100	750
Expenditure maintaining services	7,927	11,115	11,505	12,382	11,176	11,659	11,177	11,560	11,849	22,682	22,787	23,094
Total capital expenditure	15,868	22,378	30,659	39,722	22,732	17,993	15,001	15,524	17,213	26,051	34,506	27,298
Less non-debt funding for capital expenditure												
Reserve funding	170	670	110	110	110	110	110	110	110	110	110	110
UHCC capital contribution	380	515	840	2,631	666	476	476	363	405	3,512	5,442	3,512
Capital subsidies	1,877	2,514	3,773	6,107	2,846	2,510	2,277	2,300	2,329	2,266	2,278	2,235
Depreciation	19,092	19,653	20,244	20,690	20,937	20,634	20,427	20,197	20,077	20,140	20,456	20,788
Total non-debt funding for capital expenditure	21,519	23,352	24,967	29,538	24,559	23,730	23,290	22,970	22,921	26,028	28,286	26,645
Less asset sale proceeds												
Asset sales – CCOs	5,500	2,250	–	–	–	–	–	–	–	–	–	–
Asset sales – other	5,006	2,700	5,074	3,000	–	–	–	–	–	–	–	–
Total asset sale proceeds	10,506	4,950	5,074	3,000	–	–	–	–	–	–	–	–

FORECAST FINANCIAL STATEMENTS – STATEMENT OF PROSPECTIVE NET DEBT POSITION

For the year ending 30 June 2005

	Actual 30/6/2003 \$000s	Estimate 30/6/2004 \$000s	Budget 30/6/2005 \$000s	Forecast 30/6/2006 \$000s	Forecast 30/6/2007 \$000s	Projection 30/6/2008 \$000s	Projection 30/6/2009 \$000s	Projection 30/6/2010 \$000s	Projection 30/6/2011 \$000s	Projection 30/6/2012 \$000s	Projection 30/6/2013 \$000s	Projection 30/6/2014 \$000s
Less other items												
Rate funding	(588)	(2,038)	(2,575)	(1,737)	(1,632)	(902)	192	862	1,379	1,929	1,358	711
Cashflow movements	(1,593)	(456)	50	(100)	50	50	(100)	50	50	(100)	50	50
Other adjustments	(5,166)	(4,000)	2,250	–	–	–	–	–	–	–	–	–
Total other items	(7,347)	(6,494)	(275)	(1,837)	(1,582)	(852)	92	912	1,429	1,829	1,408	761
Net debt at end of the year												
Current debt	57,272	56,703	57,646	66,567	66,372	61,537	53,056	44,748	37,661	35,755	40,617	40,559
Non-current debt	15,465	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Less: Sinking funds	(1,148)	–	–	–	–	–	–	–	–	–	–	–
Less: Cash and short term deposits	(4,176)	(3,720)	(3,770)	(3,670)	(3,720)	(3,770)	(3,670)	(3,720)	(3,770)	(3,670)	(3,720)	(3,770)
Net debt at end of the year	67,413	67,983	68,876	77,897	77,652	72,767	64,386	56,028	48,891	47,085	51,897	51,789



Policies

Policies

INTRODUCTION TO FINANCIAL AND OTHER POLICIES

This section contains policies required by the Local Government Act 2002, which was passed into law on 24 December 2002. The policies are:

Significance Policy

This policy has been revised to clarify aspects of the policy so as to assist in its application. It 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 replaces the previous Borrowing Management Policy. It 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.

Statement of Accounting Policies

These policies form part of the Forecast Financial Statements included in the Community Plan.

Revenue and Financing Policy

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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.

Funding Impact Statement

The Funding Impact Statement replaces the former special order procedure to make or alter a system of differential rating, as well as showing all other funding mechanisms and the level of funds produced by each. The system of differential rating is now defined in the Funding Impact Statement.

Policy for Remission and Postponement of Rates on Maori Freehold Land

This policy closely reflects Council's current practice for remission and postponement of rates on Maori freehold land. There is very little land of this type in Hutt City.

Rates Postponement Policy

This policy closely reflects Council's current practice for the treatment of rates postponement applications.

Rates Remissions Policy

There are 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. This policy has been amended in relation to economic development criteria and conditions set out in Part 5 of the policy, and includes an additional section on land affected by natural calamity.

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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; and
 - 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, and
- 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 not inconsequential
- 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.

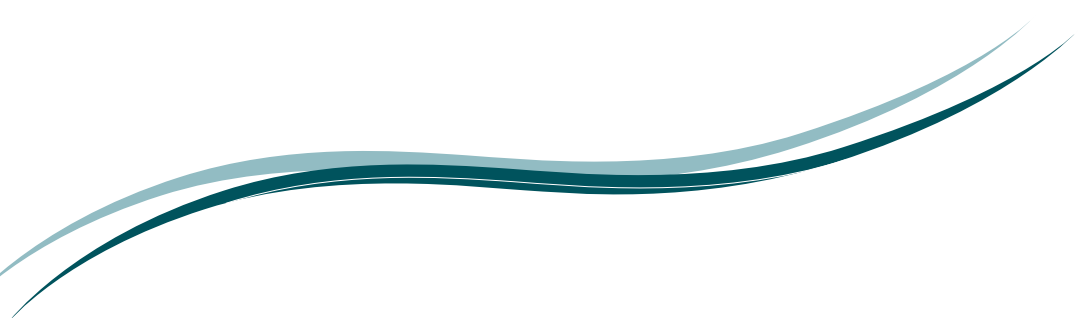
7. PROCEDURE

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 annually 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 citywide 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 cooperate 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, or
- 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.

Policy on Development and Financial Contributions

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.

GENERAL

Section 102(4) of the Local Government Act 2002 states *inter alia* that a local authority must adopt a policy on development contributions or financial contributions. Details relating to the specific matters that must be covered in any policy on development contributions or financial contributions are specified in section 106 and these matters are explained below.

Council considers at this stage that it will rely on the financial contributions specified in its District Plan prepared under the Resource Management Act 1991, as this has been subject to considerable community consultation and is well accepted by the community. Within three years Council will investigate further the need for development contributions under the Local Government Act 2002.

Currently financial contributions obtained under the provisions of the District Plan account for less than 5% of the total amount of capital expenditure. It is considered that this amount is not likely to change in the near future.

FINANCIAL CONTRIBUTIONS IN THE DISTRICT PLAN – A SUMMARY

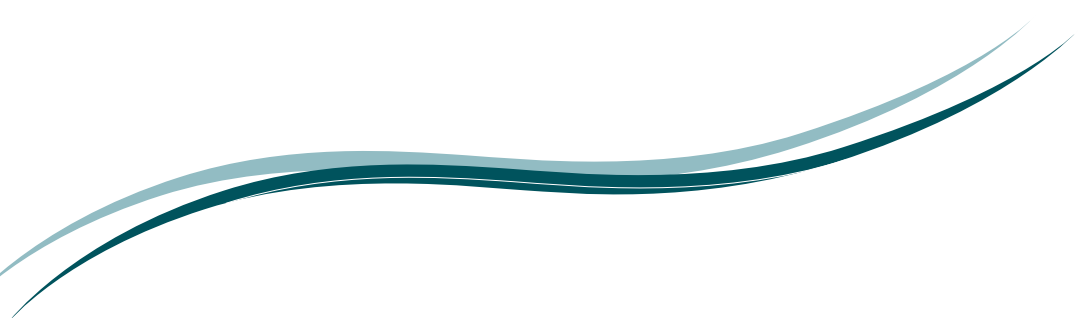
Chapter 12 of the District Plan specifies in detail the issues, objectives, policies and rules relating to financial contributions. The provisions of the District Plan on financial contributions relate mainly to two matters:

- Financial contributions relating to the subdivision and development of land
- Traffic impact fees relating to large-scale retail activities and places of assembly in Residential and Rural Activity Areas, which may have adverse effects on the roading network.

Each of these matters is discussed and analysed below.

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 the open space and recreation facilities and opportunities necessary to cater for additional demand generated and



also to protect or 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 Resource Management Act 1991, 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 [Rule 12.2.1.7 (a)]. 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 [Rule 12.2.2.2(a)]. 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 (Rules 12.2.1.1, 12.2.1.2, 12.2.1.3, 12.2.1.4, 12.2.1.5, and 12.2.1.6). 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 (Rule 12.2.2.1). In such circumstances the District Plan requires that the developer contribute to the upgrading or modification of the surrounding roads, intersections and footpaths.

CONCLUSION

Copies of the District Plan are available for inspection at the main Council Building and at public libraries.

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 reissue/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 due 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 due 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 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 (due 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
Cash management and borrowing	Bank overdraft Committed cash advance and bank accepted bill facilities (term facilities) Uncommitted money market facilities Bond issuance
Investments	Short term bank deposits Bank bills Bank certificates of deposit (CD's) Treasury bills Local Authority stock or State Owned Enterprise (SOE) bonds Corporate bonds
Interest rate risk management	Promissory notes/commercial paper Forward rate agreements ('FRA's') on: – Bank bills – Government bonds Interest rate swaps including: – Forward start swaps (start date <24 months) – Amortising swaps (whereby notional principal amount reduces) Interest rate options on: – Bank bills (purchased caps and 1:1 collars) – Government bonds 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:

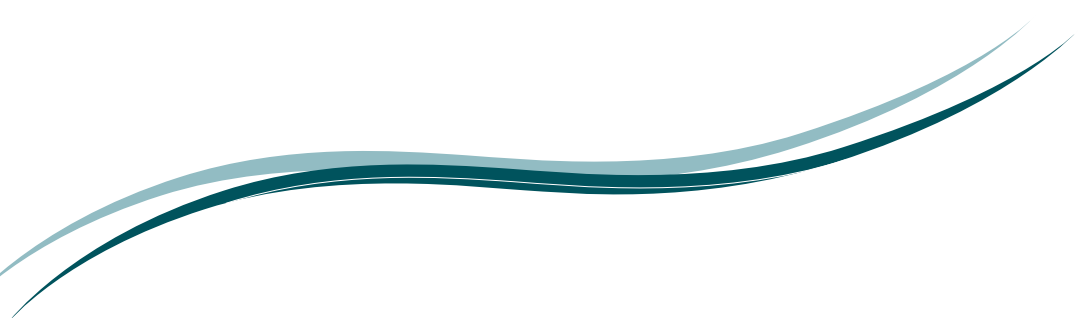
Fixed Rate Maturity Profile Limit

Period	Minimum Cover	Maximum Cover
1 to 3 years	20%	50%
3 to 5 years	20%	50%
5 to 10 years	15%	50%

A fixed rate maturity profile outside the above 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.

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.
- FRA's outstanding at any one time must not exceed 75% of the total floating rate debt. FRA's 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, that 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 (e.g. 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 life to zero.

Given that Council will be a net borrower for the remaining life 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

These represent funds administered by Council in terms of a bequest trust deed, document etc, that has been created by a third party. Such funds are to be separately invested and used for the express purpose for which they are 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.

Statement of Accounting Policies

Council will consider selling its non-strategic shareholdings where the rate of return from owning the asset is lower than the financial benefit to ratepayers of selling and of using the proceeds of sale to repay debt. In its considerations Council will take into account the risks associated with continuing to own the asset and the risks associated with Council's total debt.

Proceeds from the sale of equity investments will go to repay existing debt, unless Council specifically directs that the funds be put to another use.

INVESTMENT PROPERTIES

Council does not currently hold any investment properties. Investment properties will only be purchased in the future where such acquisition would strategically fit Council's core activities.

Any investment properties held by Council will be managed by the Property Manager.

All buildings and fittings on investment properties will be insured for material damage and skilled property personnel will monitor pricing trends in the area for potential price variations.

Any rental funds received for investment properties held by Council will be used to offset costs incurred within the appropriate property activity.

Any funds received from the sale of investment properties will be used to repay existing debt, unless Council specifically directs that the funds be put to another use.

LOANS AND ADVANCES

Council does not normally give out loans to Community groups and will only consider doing so in exceptional circumstances.

Council occasionally provides financial guarantees to community, sporting, cultural and similar non-profit organisations. The circumstances under which Council will consider providing a financial guarantee are limited. They are contained in a separate policy entitled 'Requirements and Conditions Relating to the Giving of Financial Guarantees'.

INTRODUCTION

Schedule 10(8) of the Local Government Act 2002 requires forecast financial statements to be included in a long term council community plan. Section 111 requires that these forecast financial statements be prepared in accordance with generally accepted accounting practice. The relevant legislation is reproduced below.

Section 111 Information to be prepared in accordance with generally accepted accounting practice

All information that is required by any provision of this part or of Schedule 10 to be included in any plan, report, or other document must be prepared in accordance with generally accepted accounting practice if that information is of a form or nature for which generally accepted accounting practice has developed standards.

The Statement of Accounting Policies is included to meet the requirements of generally accepted accounting practice and support the Forecast Financial Statements and other budgetary information included in the Community Plan.

REPORTING ENTITY AND STATUTORY BASE

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 '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.

MEASUREMENT BASE

The Forecast Financial Statements have been prepared using a historical cost basis, modified by the revaluation of certain assets.

SPECIFIC ACCOUNTING POLICIES

Revenue

Rates revenue is recognised when levied.

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 Transfund 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 Statement of Financial Performance, 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 it is recognised as part of the related asset or expense.

Taxation

Income tax expense is recognised in the Statement of Financial Performance in respect of the current year's surplus after allowing for permanent differences.

Deferred tax is determined on a comprehensive basis using the liability method. Deferred tax assets attributable to timing differences or income tax losses are only recognised when there is virtual certainty of realisation.

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 a third party. Transfers from these reserves may be made only for specified purposes or when certain conditions are met.

Accounts Receivable

Accounts receivable are recognised at expected realisable values after providing for doubtful and uncollectable debts.

Inventories

Inventories are recognised at the lower of their cost, determined on a first-in first-out basis, and net realisable value.

Property, Plant and Equipment

Expenditure of a capital nature of \$1,000 or more for information technology hardware, and \$2,500 or more for other items, has been capitalised. Expenditure of less than \$1,000 for information technology hardware, or less than \$2,500 for other items, has been charged to operating expenditure.

Property, plant and equipment consists of:

- *Infrastructure assets*, ie. the fixed utility systems owned by Council. 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*, ie. parks and reserves owned by Council, which cannot be disposed of because of legal or other restrictions and provide a benefit or service to the community.

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 any direct ownership or control over the bulk wastewater system, it is entitled to a share of the proceeds from any sale of the Scheme's assets.

Upper Hutt City Council's interest in the bulk wastewater system assets is now deducted from the value of property, plant and equipment recognised in the Statement of Financial Position. Funding contributions from Upper Hutt City Council are recognised as revenue in the Statement of Financial Performance 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.

Valuation

All assets are valued at historical cost except for the following:

- Land and buildings have been valued at net current value. Revaluations are carried out three-yearly.

- Infrastructure assets have been valued at optimised depreciated replacement cost. Revaluations are carried out three-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 50% 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 three-yearly.

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 Statement of Financial Performance.

Any subsequent increase on revaluation that offsets the previous decrease in value in the Statement of Financial Performance will be first recognised in the Statement of Financial Performance 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.

Additions

Additions between valuations are recorded at cost, except for vested assets. Certain infrastructure assets and land have been vested in Council as part of the subdivisional consent process. The vested reserve land has been valued at the most recent appropriately certified government valuation. Vested infrastructure assets have been valued based on the actual quantities of infrastructure components vested and the current ‘in the ground’ cost of providing natural services. Vested infrastructure assets are recognised as revenue in the Statement of Financial Performance.

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.

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:

Estimated economic lives	Years
Operational assets	
Buildings	50–80
Parking meters	15
Office equipment	10
Plant	10
Pay and display	10
Recycling depots	5–10
Playground equipment	5–10
Computer equipment	3–5
Library books	1–7
Infrastructure assets	
Bridges	100
Drainage including manholes and drainpipes	80
Kerbing	80
Footpaths	40
Unsealed pavement (base course and sub base)	25–30
Street lights	25
Wharves	15
Pavement seal	10–12
Traffic signals and signs	10
Reservoirs	80
Stormwater pipe network assets	60–100
Water pipe network assets	60–90
Milliscreen plant	50
Pump and gauging stations	50
Sewerage pipe network assets	40–80
Gauging, milliscreen and reservoir equipment	15
Pump station control equipment	8–10

Investments

Investments in subsidiaries

Investments in operating subsidiary companies are stated at cost. Investments in property subsidiaries are valued at the lower of their cost and net realisable value.

Investment properties

Investment properties are revalued annually at net current value by an independent registered valuer. Increases and decreases in the value of assets are credited 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 has been expensed in the Statement of Financial Performance. There is no depreciation recognised on investment properties.

Other investments

All other investments are valued at the lower of their cost and net realisable value.

Sinking funds

Funds have been set aside to meet future repayments of 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 Statement of Financial Performance.

Employee entitlements

Provision is made in respect of the Group's liability for annual leave, long service leave, and retirement gratuities. Annual leave has been calculated on an actual basis at current rates of pay, while the other provisions have been calculated on an actuarial basis based on the present value of expected future entitlements.

Leases

Operating Leases

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items are classified as operating leases. Payments under these leases are recognised as expenses and income is recognised as revenue in the Statement of Financial Performance in the periods in which they are incurred.

Landfill post-closure costs

As operator of the Silverstream and Wainuiomata landfill sites, Council has an obligation to provide 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 Hutt City Council.

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post-closure costs when the obligation for post-closure arises. The calculated cost is based on estimates of future site trade waste charges and monitoring costs. The estimated length of time needed for post-closure care is 30 years for Silverstream, and 28 years for Wainuiomata.

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.

Financial instruments

Council is party to financial instruments as part of its normal operations. These financial instruments include cash and on call deposits, accounts receivable, investments, accounts payable, public debt, deposits held, other liabilities, financial guarantees and interest rate swaps and options.

Revenue and expense arising from these financial instruments are recognised in the Statement of Financial Performance. The financial instruments are recognised in the Statement of Financial Position in accordance with the accounting policies outlined below.

Cash and on call deposits, accounts payable, public debt, deposits held and other liabilities

These financial instruments are recognised in the Statement of Financial Position on a historical cost basis.

Accounts receivable and investments

Related accounting policies are described in the relevant sections above.

Financial guarantees

Financial guarantees are not recognised in the Statement of Financial Performance unless it becomes probable that a financial loss will be incurred as a result of a guarantee. Financial guarantees are disclosed in note 19 of the Financial Statements.

Interest rate swaps and options

Council enters into interest rate swaps and options to hedge interest rate risk associated with public debt. The following accounting treatments are applied:

- The net differential paid or received on interest rate swaps is recognised as a component of interest income or expense over the period of the agreement.
- Interest rate option premiums paid or received and net settlements on maturity are amortised as a component of interest income or expense over the period of the underlying asset or liability.
- As all interest rate swaps and options are hedges of underlying assets or liabilities, they are not stated at market value in the Statement of Financial Position. However, any interest differentials paid or received, option premiums and net settlements that are unamortised at balance date are recognised in the Statement of Financial Position.

Operating Statements included in the Statement of Service Performance

The operating statements report the net cost of services for the 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.

Statement of cash flows

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

Operating activities include cash received from all income sources within the Parent and Group 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 Statement of Cash Flows given that they flow through the Parent'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 the Parent and the Group.

CHANGES IN ACCOUNTING POLICIES

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

Revenue and Financing Policy

INTRODUCTION

Council previously adopted a Funding Policy to meet the requirements of Part VIIA of the Local Government Act 1974. This Act has now been replaced by the Local Government Act 2002 ('the Act'), under which Council is required to adopt a Revenue and Financing Policy using the special consultative procedure outlined in the Act.

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
- Targeted rates on water supply and wastewater
- 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	26.1%
General rates – business	21.3%
General rates – utilities	1.3%
General rates – rural	0.4%
Targeted rate – water supply	10.6%
Targeted rate – wastewater	13.1%
Fees and charges	21.0%
Interest income	0.2%
Operating subsidies	4.4%
Other sources	1.6%
	100.0%

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 financial contributions under the Resource Management Act 1991
- Contributions towards capital expenditure from other parties such as Transfund (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. The Community Outcomes developed by Council and described in the Community Plan are:

- 1 Clean air, water and land.
- 2 Everyone has affordable access to services that improve health.
- 3 A city that is safe, friendly and welcoming, where people experience a sense of belonging.
- 4 Affordable access to excellent educational services.
- 5 A quality standard of affordable housing.
- 6 A local economy that is attractive to both business and residents.
- 7 Affordable access to community facilities that include arts, cultural and recreational options.
- 8 A diverse natural environment that is accessible, enjoyable and safe.
- 9 A healthy balance between natural and built environments.
- 10 A built environment that is attractive, safe and healthy.

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 e.g. democracy
- The person or people benefiting cannot be identified e.g. parks and reserves
- The community in general benefits e.g. 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 include the costs in 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	23.7%
Fees and charges	21.0%
Operating subsidies	4.4%
Interest income	0.2%
Other sources	1.6%
Total private funding	50.9%

Public Funding:

General rates – residential	28.8%
General rates – business	18.6%
General rates – utilities	1.3%
General rates – rural	0.4%
Total public funding	49.1%

Council has considered the overall impact of the indicative private funding allocations on the community and determined that no changes are required. The allocations shown above approximate current levels of charging, adjusted upwards in some areas due to rising input costs. The exception is the level of charges for landfills, which have been increasing. Increases in this area were necessary for reasons relating to regional relativity, as mentioned in the analysis of Council's solid waste activity. 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 considered the overall impact of the indicative public funding allocations on the community and determined that some changes were required. The indicative allocations shown above differ from the 2003 allocations. The table below shows the approximate 2003 allocations, and the level of increase or decrease that would be required to the general rate in each category to align it to the indicative allocation. The comments that follow explain how Council intends to modify this indicative allocation.

	2003	Indicative	Change
General rates – residential	26.1%	28.8%	10%
General rates – business	21.9%	18.6%	(15)%
General rates – utilities	0.7%	1.3%	80%
General rates –rural	0.4%	0.4%	3%

SUMMARY OF INDIVIDUAL ANALYSIS – INDICATIVE ALLOCATION OF COSTS

	Private Funding						Total %	Public Funding				Total %
	Fees & charges %	Operating subsidies %	Interest %	Other revenue %	Reserve funding %	Targeted rates %		Residential & other %	Business %	Utilities %	Rural %	
RATEABLE VALUE PROPORTIONS JULY 2002								78.3%	15.6%	4.6%	1.5%	100.0%
Libraries	4.0%			2.0%			6.0%	73.6%	14.7%	4.3%	1.4%	94.0%
Museums	5.0%			15.0%			20.0%	51.1%	25.0%	3.0%	1.0%	80.0%
Aquatics and Recreation	30.0%			5.0%			35.0%	50.9%	10.1%	3.0%	1.0%	65.0%
Parks and Reserves	10.0%						10.0%	70.5%	15.4%	4.1%		90.0%
Community Support							0.0%	78.3%	15.6%	4.6%	1.5%	100.0%
Community Property	55.0%						55.0%	35.2%	7.0%	2.1%	0.7%	45.0%
Roading and Traffic	14.0%	12.0%					26.0%	18.3%	42.9%	12.6%	0.2%	74.0%
Water Supply	17.0%					73.0%	90.0%	7.8%	1.6%	0.5%	0.2%	10.0%
Wastewater	4.0%	13.0%				78.0%	95.0%	3.9%	0.8%	0.2%	0.1%	5.0%
Stormwater							0.0%	57.3%	39.0%	3.4%	0.4%	100.0%
Solid Waste	124.0%						124.0%	-18.8%	-3.7%	-1.1%	-0.4%	-24.0%
Environmental Management	53.0%						53.0%	6.5%	40.0%	0.4%	0.1%	47.0%
Emergency Management				7.0%			7.0%	72.8%	14.5%	4.3%	1.4%	93.0%
Local Urban Design							0.0%	9.3%	90.0%	0.5%	0.2%	100.0%
Economic Development							0.0%		88.6%	11.4%		100.0%
Elected Members							0.0%	78.3%	15.6%	4.6%	1.5%	100.0%
Advice and Support							0.0%	78.3%	15.6%	4.6%	1.5%	100.0%
Managing Services	50.0%		10.0%	45.0%	-5.0%		100.0%					0.0%
Consolidated cost adjustments	9.0%						9.0%	1.8%	13.7%	75.6%		91.0%

The increase in residential rates required to achieve the indicative allocation would adversely affect the economic well-being of the community. This is because it would result in residential rates within Hutt City being higher than in neighbouring cities in the region, and this could have flow-on effects on the attraction of Hutt City as a place to live.

Council is also concerned to have business rates at a level that makes Hutt City an attractive place to do business. However, it is not possible to lower the business rates to the level suggested by the indicative allocation of costs in the medium term. To do so would require the residential rates to increase as discussed above.

On average, business rates in Hutt City have declined in recent years due to three reasons. Firstly, Council has been endeavouring to rectify a similar indicative funding discrepancy highlighted in Council's previous Funding Policy. Secondly, business rateable values have been declining as a proportion of the total rateable value of the city. And thirdly, Council has been tightly controlling overall rating levels.

With these issues in mind, Council is proposing that the public funding allocation to business reduce only slightly, rather than change to the extent suggested by the indicative allocation of costs. However, Council will reconsider this position and relative differential factors should the proportion that business comprises of the city's total rateable value increase.

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 4.80
- Business Queensgate 4.80
- Business Suburban 4.00
- Business Suburban JSP 4.00
- Business Accommodation 3.00
- Business Eastbourne 3.30

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. However, the separate differential is to signal Council's intention to reconsider the equitable level of rating for this complex should proposed redevelopments proceed. It is possible that the rateable value per square metre will be much higher than surrounding properties and Council will assess whether the rating burden will be fair on future tenants. Any proposed change to this differential will be subject to public consultation at the time.

Business Suburban applies to all business areas other than those covered by separate differentials.

Business Suburban JSP applies to a specified area in Petone that has agreed to be rated slightly higher than the Business Suburban differential in order to fund a street development programme.

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.

One of these differentials, for businesses in Eastbourne, is lower than other business differentials for historical reasons. Council intends to continue adjusting this particular differential until it equates to Business Suburban.

Council introduced utility network rating in the 2002/2003 financial year. At that time Council's Funding Policy did not refer to utilities, so the differential applied was set at 1.5 times the residential rate. This approximated the equivalent on an undifferentiated rating level. The indicative allocation of costs above suggests that this level was too low, and the level of utility rating increased accordingly in 2003/2004.

Council is by far the biggest utility network owner in the city. This increase effectively transferred additional costs to Council's water-related activities, which was 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 on the table on the previous page.

The indicative allocation suggests a minor increase in the level of costs allocated to the rural sector. Council proposes that this minor increase proceed.

Taking into account all of the above considerations, Council has determined that the indicative allocation of costs to public funding shall be modified as shown below.

	2003	Indicative	Proposed	Change
General rates – residential	26.1%	28.8%	26.1%	0%
General rates – business	21.9%	18.6%	21.3%	(3)%
General rates – utilities	0.7%	1.3%	1.3%	80%
General rates – rural	0.4%	0.4%	0.4%	3%
Total public funding	49.1%	49.1%	49.1%	

INDIVIDUAL ACTIVITY ANALYSIS

1. LIBRARIES

Description

Council provides, maintains and manages eight libraries in the city. These are run as a single citywide service. Their primary role is the provision of written and recorded media, such as books, videos and audiotapes as well as access to information. This material is used for many purposes including entertainment, learning and research.

Community Outcomes

s101(3)(a)(i)

The provision, maintenance and management of libraries contributes primarily to Community Outcome 7 – ‘affordable access to community facilities that include arts, cultural and recreation options’, and to Outcome 4 – ‘affordable access to excellent educational services’. Reviews are undertaken from time to time to ensure they meet changing public requirements and remain efficient.

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 willing to part with rates money to have a local library implies they receive some form of either existence or option benefits.

Option benefits are a more defensible argument for the presence of community benefits than is social cohesion through literacy. This is clearly an area where the majority of the community is prepared to fund the provision of libraries to a level above their day-to-day personal needs. 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, on the other hand, 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 are 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:	94%
Total costs allocated to individuals:	6%

FINAL COST ALLOCATION PERCENTAGE

Private Funding	
User Charges	4.0
Other Revenue	2.0
Total Private Funding	6.0
Public Funding	
General Rate	
Residential	73.6
Business	14.7
Utility	4.3
Rural	1.4
Total Public Funding	94.0
TOTAL	100.0

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)

The operation of museums contributes primarily to Community Outcome 7 – ‘affordable access to community facilities that include arts, cultural and recreation options’. There is strong public preference for maintaining the current level of service. Reviews are undertaken from time to time to ensure the museums meet changing public requirements and remain efficient.

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’ 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’ 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. It should be noted, however, that prestige benefits are significant with the Dowse. 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, and to a lesser extent the Settlers’, 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.

Total benefit to the community as a whole:	20%
Total benefit to identifiable parts of the community:	30%
Total benefit to individuals:	50%

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

Private Funding

User Charges	5.0
Other Revenue	15.0
Total Private Funding	20.0

Public Funding

General Rate	
Residential	51.0
Business	25.0
Utility	3.0
Rural	1.0
Total Public Funding	80.0
TOTAL	100.0

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)

The provision and maintenance of swimming pools and the provision of recreational programmes contribute primarily to Community Outcome 7 – 'affordable access to community facilities that include arts, cultural and recreation options'. 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.

Distribution of Benefits

s101(3)(a)(ii)

Whole Community

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 reasons 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 \$3.50 charge, 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

Private Funding

User Charges	30.0
Other Revenue	5.0
Total Private Funding	35.0

Public Funding

General Rate	
Residential	50.9
Business	10.1
Utility	3.0
Rural	1.0
Total Public Funding	65.0
TOTAL	100.0

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)

The provision and maintenance of passive recreational facilities and sports fields contributes primarily to Community Outcome 7 – 'affordable access to community facilities that include arts, cultural and recreation options'. The activity is undertaken because the market does not provide such facilities at levels desired by the community.

Distribution of Benefits

s101(3)(a)(ii)

Whole 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:

Total benefit to the community as a whole:	80%
Total benefit to identifiable parts of the community:	15%
Total benefit to individuals:	5%

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 approximate the current level of charges.

Total costs allocated to the community as a whole:	90%
Total costs allocated to identifiable parts of the community:	5%
Total costs allocated to individuals:	5%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

User Charges	10.0
Total Private Funding	10.0

Public Funding

General Rate	
Residential	70.5
Business	15.4
Utility	4.1
Rural	0.0
Total Public Funding	90.0
TOTAL	100.0

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 seeks to support its communities through appropriately responding to community needs. 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)

The Community Support activity contributes primarily to Community Outcome 3 – 'a city that is safe, friendly and welcoming, where people experience a sense of belonging', and Community Outcome 7 – 'affordable access to community facilities that include arts, cultural and recreation options'. 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 due to lack of resources.

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 persons 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 for 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.

Total costs allocated to the community as a whole: 100%

FINAL COST ALLOCATION PERCENTAGE

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	78.3
Business	15.6
Utility	4.6
Rural	1.5
Total Public Funding	100.0
TOTAL	100.0

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. 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)

Community Property as an activity contributes primarily to Community Outcome 7 – 'affordable access to community facilities that include arts, cultural and recreation options', and Outcome 5 – 'everyone has a quality standard of affordable housing'.

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. Council periodically reviews its ownership of other properties to ensure it is also contributing to these outcomes in the most efficient manner.

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 toilets 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.

Total benefit to the community as a whole: 40%
Total benefit to individuals or identifiable parts of the community: 60%

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 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: 45%

Total costs allocated to individuals or identifiable parts of the community: 55%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

User Charges	55.0
Total Private Funding	55.0

Public Funding

General Rate	
Residential	35.2
Business	7.0
Utility	2.1
Rural	0.7
Total Public Funding	45.0
TOTAL	100.0

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)

The roading activity primarily contributes to Community Outcome 6 – ‘a local economy that is attractive to both businesses and residents’, Outcome 9 – ‘a healthy balance between natural and built environments’, and Outcome 10, – ‘a built environment that is attractive, safe and healthy’.

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.

The legal status and public nature of the road reserve require that Council own the parking asset. Council is responsible for regulation and enforcement due to its legal ability to ration carparks through by-laws.

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

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 the motorist. 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 the

vehicle registration regime. 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 pay more than 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. Central government draws off around \$800 million per annum in fuel tax without an explicit purpose or use. Local authorities contribute around \$250 million in rates to their local roads. A superior 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 Transfund. 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 Transfund money.

A greater contribution from Transfund 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 due 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 Transfund, 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 Transfund 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 Transfund 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

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.

Total benefit to the community as a whole: -50%
Total benefit to individuals or identifiable parts of the community: 150%

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 Transfund 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 Transfund. 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 area
- 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

Total costs allocated to the community as a whole: 78%
Total costs allocated to individuals or identifiable parts of the community: 22%

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.

Total costs allocated to the community as a whole: -58%
Total costs allocated to individuals or identifiable parts of the community: 158%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

User Charges	14.0
Operating Subsidies	12.0
Total Private Funding	26.0

Public Funding

General Rate	
Residential	18.3
Business	42.9
Utility	12.6
Rural	0.2
Total Public Funding	74.0
TOTAL	100.0

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 the 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.

Community Outcomes

s101(3)(a)(i)

The supply of high quality drinkable water for domestic and commercial use contributes primarily to the ‘clean air, water and land’ and ‘a local economy that is attractive to both business and residents’ Community Outcomes. Council’s ownership of the pipe network is historical. There is a legal requirement for Council to retain control of these assets.

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, e.g. the extra expense of having non-asbestos pipes. The costs of using healthy pipe technology, as well as the cost of hygienic headworks, 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, the uniform annual charge (UAC) can be seen as a proxy for user charges. It is proposed that the public health benefits, along with fire-fighting benefits, should be funded from general revenues rather than the UAC.

All connections are charged the UAC 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. This forms part of the 90% overall private funding.

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 the community as a whole:	10%
Total benefit to individuals or identifiable parts of the community:	90%

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 the community as a whole:	10%
Total costs allocated to individuals or identifiable parts of the community:	90%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

User Charges	17.0
Targeted Rate	73.0
Total Private Funding	90.0

Public Funding

General Rate	
Residential	7.8
Business	1.6
Utility	0.5
Rural	0.2
Total Public Funding	10.0
TOTAL	100.0

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.

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)

The wastewater activity primarily contributes to Community Outcome 1 – 'clean air, water and land' and to a lesser extent to Outcome 6 – 'a local economy that is attractive to both businesses and residents', and Outcome 9 – 'a healthy balance between natural and built environments'.

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 for 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 uniform annual charge 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 the UAC to direct user charges. It has no impact on the private / public benefit split as the UAC is 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. However the rural community enjoys the same public health benefits as the wider community and should meet a proportionate share of these public good costs.

Total benefit to the community as a whole:	5%
Total benefit to individuals or identifiable parts of the community:	95%

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: 95%

Total costs allocated to the community as a whole: 5%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

User Charges	4.0
Operating Subsidies	13.0
Targeted Rate	78.0
Total Private Funding	95.0

Public Funding

General Rate	
Residential	3.9
Business	0.8
Utility	0.2
Rural	0.1
Total Public Funding	5.0
TOTAL	100.0

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.

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.

Community Outcomes

s101(3)(a)(i)

The stormwater activity primarily contributes to Community Outcome 1 – 'Clean air, water and land' and to a lesser extent to Outcome 6 – 'A local economy that is attractive to both businesses and residents, and Outcome 9 – 'A healthy balance between natural and built environments'.

There is a legal requirement for Council to retain control of these assets.

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 than the average residential property and the average rural property 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 citywide 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

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	57.3
Business	39.0
Utility	3.4
Rural	0.4
Total Public Funding	100.0
TOTAL	100.0

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.

Community Outcomes

s101(3)(a)(i)

The collection of solid waste and recycling and the operation of landfills contribute primarily to Community Outcome 1 – 'clean air, water and land'. 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.

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 are a number of private companies offering a rubbish collection service.

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 due 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:	-24%
Total costs allocated to individuals:	124%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

User Charges	124.0
Total Private Funding	124.0

Public Funding

General Rate	
Residential	-18.8
Business	-3.7
Utility	-1.1
Rural	-0.4
Total Public Funding	-24.0
TOTAL	100.0

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.

Community Outcomes

s101(3)(a)(i)

This activity contributes primarily to Community Outcome 3 – 'a city that is safe, friendly and welcoming, where people experience a sense of belonging', Outcome 9 – 'a healthy balance between natural and built environments', and Outcome 10 – 'a built environment that is attractive, safe and healthy'.

There is a legal requirement for this activity.

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 due 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 down to 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 cost 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

Private Funding

User Charges	53.0
Total Private Funding	53.0

Public Funding

General Rate	
Residential	6.5
Business	40.0
Utility	0.4
Rural	0.1
Total Public Funding	47.0
TOTAL	100.0

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 citywide 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 coordinate responses to both civil defence and rural fire emergencies.

Community Outcomes

s101(3)(a)(i)

This activity contributes primarily to Community Outcome 3 – ‘a city that is safe, friendly and welcoming, where people experience a sense of belonging’. It is also a legal requirement under the Forest and Rural Fires Act and the Civil Defence Act.

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 grant from central government that helps Council operate within a New Zealand wide network, although this subsidy is actually sourced from public funds as well.

Total costs allocated to the community as a whole: 93%

Total costs allocated to individuals or identifiable parts of the community: 7%

FINAL COST ALLOCATION PERCENTAGE

Private Funding

Other Revenue	7.0
Total Private Funding	7.0

Public Funding

General Rate	
Residential	72.8
Business	14.5
Utility	4.3
Rural	1.4
Total Public Funding	93.0
TOTAL	100.0

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.

Community Outcomes

s101(3)(a)(i)

This activity contributes primarily to Community Outcome 10 – 'a built environment that is attractive, safe and healthy', and Outcome 9 – 'a healthy balance between natural and built environments'.

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.

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 coordinated 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

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	9.3
Business	90.0
Utility	0.5
Rural	0.2
Total Public Funding	100.0
TOTAL	100.0

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.

Community Outcomes

s101(3)(a)(i)

This activity contributes primarily to Community Outcome 6 – 'a local economy that is attractive to both business and residents'. 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.

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 cooperation 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 25% of the activity should be funded from general rates, and 75% 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

Total Private Funding	0.0
Public Funding	
General Rate	
Business	88.6
Utility	11.4
Total Public Funding	100.0
TOTAL	100.0

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.

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. Council is required by law to have elected members.

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

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	78.3
Business	15.6
Utility	4.6
Rural	1.5
Total Public Funding	100.0
TOTAL	100.0

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.

Community Outcomes

s101(3)(a)(i)

This activity contributes to all Community Outcomes. 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.

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

Total Private Funding	0.0
Public Funding	
General Rate	
Residential	78.3
Business	15.6
Utility	4.6
Rural	1.5
Total Public Funding	100.0
TOTAL	100.0

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.

Funding Impact Statement

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

Private Funding

User Charges	50.0
Interest Income	10.0
Other Revenue	45.0
Transfers to Reserves	(5.0)
Total Private Funding	100.0
Total Public Funding	0.0
TOTAL	100.0

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.

FORECAST FINANCIAL STATEMENTS – FUNDING IMPACT STATEMENT

For the year ending 30 June 2005

Year Ending 30 June:	Actual 2003	Estimate 2004	Budget 2005	Forecast 2006	Forecast 2007	Projection 2008	Projection 2009	Projection 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Policy Target
FUNDING FOR OPERATING EXPENDITURE OF (\$'000):	89,358	92,192	92,617	92,570	92,747	92,094	91,085	90,270	89,831	89,360	89,780	90,499	
General rate – Residential	23.8%	23.9%	25.6%	25.9%	26.0%	26.3%	26.8%	27.2%	27.5%	27.6%	27.2%	26.8%	26.0%
General rate – Business central/Queensgate	6.0%	6.0%	6.4%	6.5%	6.6%	6.6%	6.8%	6.9%	6.9%	7.0%	6.9%	6.7%	} 21.3%
General rate – Business suburban	12.6%	12.2%	12.7%	13.0%	13.0%	13.2%	13.4%	13.6%	13.7%	13.8%	13.6%	13.4%	
General rate – Business suburban JSP	1.1%	1.0%	1.1%	1.1%	1.1%	1.1%	1.2%	1.2%	1.2%	1.2%	1.2%	1.2%	
General rate – Business accommodation	0.4%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	0.5%	
General rate – Business Eastbourne	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	
General rate – Rural	0.3%	0.3%	0.3%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%	0.4%
General rate – Community facilities	0.1%	0.1%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%
General rate – Utilities	0.8%	1.3%	1.4%	1.3%	1.3%	1.3%	1.3%	1.4%	1.4%	1.4%	1.4%	1.3%	1.3%
Total general rate	45.3%	45.4%	48.3%	49.0%	49.2%	49.7%	50.6%	51.3%	51.8%	52.1%	51.4%	50.5%	49.1%
Targeted rate – Water supply	9.6%	10.0%	9.9%	9.8%	9.7%	9.7%	9.7%	9.7%	9.6%	9.6%	9.6%	9.5%	10.6%
Targeted rate – Wastewater	12.3%	12.3%	12.5%	12.7%	12.8%	12.7%	12.7%	12.6%	12.5%	12.6%	13.0%	13.4%	13.1%
User charges	20.8%	21.6%	20.2%	20.2%	20.2%	20.3%	20.5%	20.7%	20.8%	20.9%	20.8%	20.7%	21.0%
Operating subsidies	3.9%	6.0%	4.9%	4.5%	4.5%	4.6%	4.6%	4.7%	4.7%	4.7%	4.7%	4.6%	4.4%
Interest and dividends	0.3%	0.2%	0.2%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.1%	0.2%
Other revenue	9.5%	2.9%	1.4%	1.8%	2.0%	2.0%	2.0%	2.0%	2.1%	2.1%	2.0%	2.1%	1.6%
(Surplus)/deficit applied to borrowing repayment	(1.6)%	2.8%	1.5%	1.2%	1.0%	0.5%	(0.6)%	(1.6)%	(2.2)%	(2.7)%	(2.2)%	(1.5)%	0.0%
TOTAL FUNDING FOR OPERATING EXPENDITURE	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

FORECAST FINANCIAL STATEMENTS – FUNDING IMPACT STATEMENT continued

Year Ending 30 June:	Actual 2003	Estimate 2004	Budget 2005	Forecast 2006	Forecast 2007	Projection 2008	Projection 2009	Projection 2010	Projection 2011	Projection 2012	Projection 2013	Projection 2014	Policy Target
FUNDING FOR CAPITAL EXPENDITURE OF (\$000):	15,868	22,378	30,659	39,722	22,732	17,993	15,001	15,524	17,213	26,051	34,506	27,298	} Not specified due to annual variation
Capital subsidies	14.2%	13.5%	15.0%	22.0%	15.4%	16.6%	18.4%	17.2%	15.9%	22.2%	22.4%	21.1%	
Transfers from reserves	1.1%	3.0%	0.4%	0.3%	0.5%	0.6%	0.7%	0.7%	0.6%	0.4%	0.3%	0.4%	
Depreciation funding	120.3%	87.8%	66.0%	52.1%	92.1%	114.7%	136.2%	130.1%	116.6%	77.3%	59.3%	76.2%	
Asset sales	66.2%	22.1%	16.5%	7.6%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	
Other funding	(42.6)%	(19.9)%	7.5%	(0.3)%	0.2%	0.3%	(0.7)%	0.3%	0.3%	(0.4)%	0.1%	0.2%	
Operating surpluses/(deficits)	1.6%	(1.7)%	(2.6)%	(1.9)%	(1.6)%	(0.8)%	0.2%	1.1%	1.7%	2.2%	1.7%	1.0%	
Borrowing/(debt repayment)	(60.9)%	(4.9)%	(2.9)%	20.2%	(6.7)%	(31.4)%	(54.8)%	(49.4)%	(35.2)%	(1.7)%	16.2%	1.2%	
TOTAL FUNDING FOR CAPITAL EXPENDITURE	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	

RATES FOR YEAR

For the 2004/2005 year, and for subsequent years, it is intended that Council will set the following rates:

Water Supply Rate

A separate targeted rate will be set to meet 90% of the costs of water supply and reticulation in the city. The remaining 10% of these costs will be recovered through the general rate.

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 (i.e. serviceable).
- Rating units that are not connected to the system, and that are not able to be connected, will not be liable for this rate.
- The owner of a rating unit with more than one separately used or inhabited part, may opt to install a water meter to measure the total water consumed. In such a case only one charge will be made for the entire rating unit, but the owner will be liable to pay for water consumed as measured by the meter.

Wastewater Rate

A separate targeted rate will be set to meet 95% 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 900mm or part thereof will be treated as being equivalent to one water closet.

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 located in 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.

General Rate

A general rate will be set:

- To meet the costs of all 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.

It is not intended to set a uniform annual general charge.

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 2004/2005 rating year, only the general rate has been set using these differential categories and relationships.

Definition of Rating Categories

Category	Description
Residential (RE)	All rating units in the city which are – <ul style="list-style-type: none">– used primarily for residential purposes, or– used or set aside for reserve or recreational purposes (other than East Harbour Regional Park), excluding properties categorised as Rural.
Rural (RU)	All rating units in the city which are – <ul style="list-style-type: none">– used primarily for any purpose other than residential, commercial, industrial, recreational or reserve, or– used primarily for residential purposes, having an area in excess of 3,000m², but not connected to either water and sewerage reticulation, or– East Harbour Regional Park.

Business Accommodation (BA)

All rating units in any part of the city, other than the area which was formerly the district of the former Eastbourne Borough, which are used primarily for commercial accommodation.

Business Central (BC)

All rating units which are located within the Central Area Parking District and which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as:

- Utility Networks, or
- Business Accommodation, or
- Business Queensgate.

Business Queensgate (BQ)

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:

- Community Facilities, or
- Utility Networks.

Business Eastbourne (BE)

All rating units in the area of the city which was formerly the district of the former Eastbourne Borough which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as either:

- Community Facilities, or
- Utility Networks.

Business Suburban (BS)

All rating units in any part of the city which are used primarily or predominantly for commercial and/or industrial purposes, excluding properties categorised as:

- Community Facilities, or
- Business Central, or

- Business Eastbourne, or
- Utility Networks, or
- Business Accommodation, or
- Business Queensgate.

Utility Networks (UN)

All rating units which comprise all, or part, of a utility network.

Community Facilities 1 (CF1)

All land in the city which is:

- non-rateable in terms of the Local Government (Rating) Act 2002, or
- 50% non-rateable in terms of the Local Government (Rating) Act 2002.

Community Facilities 2 (CF2)

All rating units in the city occupied by charitable trusts and not-for-profit organisations which either:

- Use the land for non-trading purposes for the benefit of the community, or
- Would qualify as land which is 50% non-rateable in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 if the organisation did not have a liquor licence, but excluding any rating unit used for residential purposes.

Community Facilities 3 (CF3)

All rating units in the city occupied by not-for-profit community groups or organisations whose primary purpose is to address the needs of adult members for entertainment or social interaction, and who 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 means the Central Area Parking District 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:

Category	Differential Factor
Residential (RE)	1.00
Rural (RU)	0.65
Business Accommodation (BA)	3.00
Business Central (BC)	4.80
Business Queensgate (BQ)	4.80
Business Eastbourne (BE)	3.30
Business Suburban (BS)	4.00
Utility Networks (UN)	2.50
Community Facilities 1 (CF1)	1.00
Community Facilities 2 (CF2)	0.50
Community Facilities 3 (CF3)	2.50

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), or
 - until the ratepayer(s) ceases to be the owner or occupier of the rating unit, or
 - until the ratepayer(s) ceases to use the property as his/her residence, or
 - 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 2004/05 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, and
- 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, Maori 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.

- As a transitional measure, those organisations that received a remission of wastewater charges for the 2002/2003 rating year, during the phasing in of full charges, will continue to receive this remission as follows:

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, and
- Used jointly as a single unit, and
- 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 e.g. 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, or
- 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, or
 - 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 investment. 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, e.g. 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 as 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, or
 - 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.

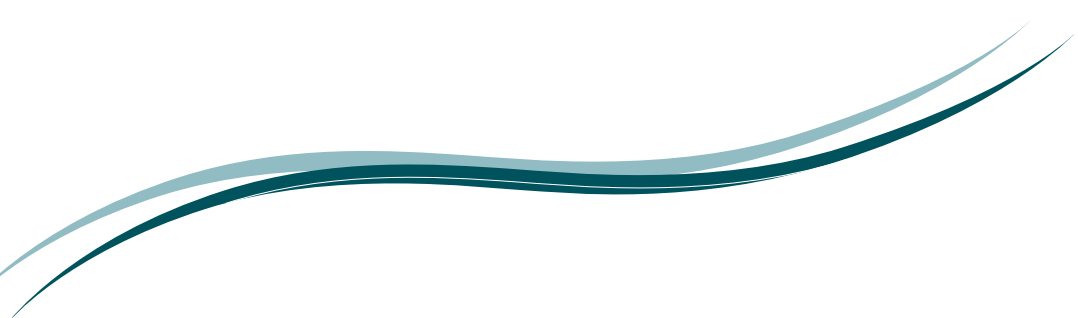
PART 8 – REMISSION OF RATES AND CHARGES ON LAND AFFECTED BY NATURAL CALAMITY

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 2004/2005

Council's fees and charges for 2004/2005 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 166 to 200).

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.

All fees and charges include Goods and Services Tax.

ANIMAL CONTROL

Dog

• not neutered and not registered in time	\$115.00	(\$110.00)
• not neutered	\$85.00	(\$80.00)
• neutered and not registered in time	\$115.00	(\$110.00)
• neutered dog	\$75.00	(\$70.00)
• responsible owner not registered in time	\$115.00	(\$110.00)
• responsible owner status	\$55.00	(\$50.00)
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.		

Impounding and Sustenance Fees

First impounding during year of registration	\$70.00	
Second impounding during year of registration	\$140.00	
Sustenance fee per dog per day	\$12.00	

CEMETERIES

Plot Purchase and Maintenance In Perpetuity

Adult	\$1,126.00
Child (1 to 12 years)	\$274.00
Infant (under 1 year)	\$191.00
Ashes	\$356.00
Ashes entrance garden, Block 17	\$696.00
Memorial tree plots, Block 18	\$466.00
Ponga trail, Block 19	\$558.00
Monumental plots, Block 16	\$1,640.00

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

Interment Fees

Adult	\$613.00
Child (1 to 12 years)	\$354.00
Infant (under 1 year)	\$71.00
Ashes	\$83.00

RSA Section

Burial plot purchase	No charge
Burial interment fee	\$613.00
Ashes plot purchase	No charge
Ashes interment fee	\$83.00
Ashes interment (memorial wall)	\$83.00

Disinterments

Burial (to top level of top casket only)	\$566.00
Burial (lower than top of top casket)	Actual cost
Ashes	\$162.00

Reinterments

To be charged as for interment fees

Special Fees and Charges

Outside district fees – all interments and disinterments	\$399.00
Casket larger than standard	\$135.00
Triple depth burial interment	\$135.00
Outside standard burial hours	Actual cost
Plaque/Memorial fees	\$59.00
Plot cancellation fee	\$38.00
Breaking of concrete	Actual cost
Search fee: Per entry (up to 30 minutes)	\$8.00

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.

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

ENGINEERING RECORDS 2004/2005

Print size	Plan Printer	Transparency Plan Printer	HP Design Jet Plotter	Aerial Photography Printer 1995 set	2003 set and GIS Hardcopy*
A0					\$30.00
A1	\$8.00	\$5.00	\$8.00	\$8.00	\$20.00
A2	\$4.00	\$3.00	\$6.00	\$4.00	\$10.00
A3	\$2.00	–	\$4.00	–	\$7.00
A4					\$5.00

* Hardcopy maps of aerial photography with GIS boundary overlay. These orders will be supplied as soon as possible.

ENVIRONMENTAL APPROVALS

Resource Consents

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 \$720 per day)

If application required to be notified in daily newspaper additional fee of \$1000 required

\$1,800.00 (\$1,675.00)

Notified Application – No hearing required

\$1,500.00 (\$1,300.00)

Limited notification

\$820.00

Non-notified Resource Consent

\$300.00

Other fees

Certificate of Compliance – Resource Management Act 1991

\$300.00

Planning Certificate under Sale of Liquor Act 1989 or in relation to Motor Vehicle Dealers

\$180.00 (\$112.50)

Review by consent authority

\$112.50

Variation of conditions of consent

\$270.00

Any special inspections (per hour)

\$75.00

Outline plans

\$112.50

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

Certificates under Overseas Investment Act 1973	\$360.00	
Sealing fee (for urgent applications for registrable instruments)	\$50.00	
Subdivisions (including Unit Title/Cross Lease)		
Subdivision consent including Certificate under section 223		
*plus \$50 per lot over 4	*\$270.00	
Certificate under section 224(c)	\$150.00	
Rights of way	\$270.00	(\$203.00)
Subdivision consent including land use consent	\$450.00	
Discharge of Withdrawal or Registerable Agreement		
Legal costs plus officer's time at (per hour)	\$75.00	
Removal of Building Lines (plus disbursements)	\$112.50	
Adjustment or Revocation of Easements		
Legal costs plus officer's time at (per hour)	\$75.00	
Class 4 Venue and Board Venue Gambling Policy		
Consent application fee	\$300.00	

BUILDING CONSENTS

Amendments to Building Consent Applications	\$50.00
Application for waiver or modification of Building Code fee plus actual cost of any professional advice sought by Council	\$150.00
Issue of Building Consent to Building Certifier	\$120.00
Acceptance fee for producer statements	\$50.00

Value of Work (revised fee structure for 2004/2005)

	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

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

Value of Work (revised fee structure for 2004/2005)	P.I.M. Only	B.C. Only	Total Cost P.I.M. & B.C.
\$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
More than \$1 million	\$4,935 + \$430 per \$200,000		

PLUMBING INSPECTIONS

Value of work

Under \$10,000 (per inspection)	\$40.00
Over \$10,000 (per inspection)	\$70.00

Record Searches

Search of records up to 15 minutes	\$10.00
Search of records over 15 minutes	\$20.00
Print off a microfiche	\$6.00

Land Information Memoranda ('LIM')

Residential Property LIM	\$270.00
Commercial Property LIM (deposit)	\$270.00

(Additional fees may apply if more than two hours is required for commercial property LIMs)

Environmental Health Approval

Premises meeting the required standard by 1 July 1995 are eligible for a discount provided re-registration is applied for by 20 August.

	Fee	Discount
Transfer/minimum fee	\$50.00	
Non-complying inspection fee	\$50.00	

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

Food Premises	Fee	Discount Fee	A Grade
<i>Class One:</i> Fruiterers, Pre-packaged only (low risk, pre-packaged)	\$262.50	\$175.00	\$140.00
<i>Class Two:</i> Dairies, Service Stations (small premises – ready made foods, some ice-cream/pre-wrapped pies), Clubs (medium)	\$307.50	\$205.00	\$164.00
<i>Class Three:</i> Clubs (large), Rest Homes (<25), Service Stations (large), Minimarts, Canteens (small)	\$375.00	\$250.00	\$200.00
<i>Class Four:</i> Takeaways, Eating Houses (<40), Meat and Fish, Delicatessens, Canteens (large), Caterers (small), Bakeries, Wholesalers (small), Rest Homes (25-50), Supermarkets (medium)	\$442.50	\$295.00	\$236.00
<i>Class Five:</i> Eating Houses (>40), Caterers (large), Wholesalers (large), Rest Homes (>50), Supermarkets (large)	\$742.50	\$495.00	\$395.00
Travelling Shops – Food	\$225.00	\$150.00	N/A
Food Stalls – Food	\$225.00	\$150.00	N/A
Clubs/Canteens (small) – type 16 – no food preparation	\$105.00	\$70.00	\$56.00
Other Licences			
Food Stalls – no food	\$172.50	\$115.00	N/A
Travelling Shop – no food	\$115.00	N/A	N/A
Hairdresser	\$225.00	\$150.00	N/A
Camping Ground	\$375.00	\$250.00	N/A
Hawker	\$50.00	N/A	N/A
Amusement Device	\$80.00	N/A	N/A
Mortuary	\$262.50	\$175.00	N/A
Offensive Trade	\$315.00	\$210.00	N/A
Video Parlour	\$55.00	N/A	N/A
Additional Charges			
One-off Food Stall	\$20.00		
New Premises – Establishment fee	\$100.00		
Transfer Licence fee	\$50.00		
Additional Inspections fee	\$50.00 per visit		
Food Safety Audits	\$90.00 per hour (expenses additional)		
Street Musician's Licence	\$20.00		
Rural Fire Permits	\$20.00		

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

Noise Control

Seizure Fine (stereo equipment)	\$120.00 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)	\$1,000.00
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All work undertaken by Council's officers in connection with the request for the change, including any preparation, shall be charged at \$75.00 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 Council shall be supplied at the applicant's cost. Any hearing shall be charged at the actual cost for the hearings committee according to the current provisions of the Local Government Elected Members Determination or the full and actual costs of commissioners' plus officers' time at \$75.00 per hour against the deposit.

Notice for Requirements (deposit)	\$1,000.00
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All work undertaken by Council's officers in connection with the requirement shall be charged at \$75.00 per hour against the deposit. If the Notice of Requirement is notified publicly, advertising charges will be actual costs payable by the applicant. All information requested by Council shall be supplied at the Requiring Authority's cost. Any hearing shall be charged at the actual cost for commissioners if appointed plus officer's time at \$75.00 per hour against the deposit.

Operative District Plan

Complete set	\$250.00
Text Volume	\$125.00
Map Volume	\$125.00

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

HALLS

Community rates of charges for hall hire are set out below.

The commercial rates are set at the community rate, plus 50%.

Town Hall and Horticultural Hall

Monday to Friday

	Main Hall	Supper Room	Kitchen & Supper Room	Main Hall & Kitchen	All Facilities
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 \$60.00 per hour.					

Note: The Town Hall supper room and kitchen are not available for public hire during normal working hours.

Weekends and Public Holidays

	Main Hall	Supper Room	Kitchen & Supper Room	Main Hall & Kitchen	All Facilities
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 \$85.00 per hour.					

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

Little Theatre

	All Facilities Monday to Friday	All Facilities Weekends and Public Holidays
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 \$50.00 per hour.		

Moera, Eastbourne and Wainuiomata Community Halls

Monday to Friday	Main Hall	Supper Room	Kitchen & Supper Room	Main Hall & Kitchen	All Facilities
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.					

Weekends and Public Holidays	Main Hall	Supper Room	Kitchen & Supper Room	Main Hall & Kitchen	All Facilities
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.					

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

LANDFILLS

Domestic Vehicles (cash only)

Cars and station wagons	\$6.00
Vans, utilities, small trailers	\$10.00
Large trailers, small trucks	\$15.00

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.

Light Trade Vehicles (<2.5T gross)

As for Domestic Vehicles

Heavy Trade Vehicles (>2.5T gross) (per tonne)

		Minimum Charge
General refuse	\$55.00	\$27.50
Special burials	\$70.00	\$35.00

Hazardous Wastes

By negotiation, refer to 'Hutt City Council Landfill – Waste Disposal Guide'

Car Bodies

Clean car bodies		\$12.00
Other car bodies		\$35.00

Tyres

Disposal of more than 4 tyres (per tonne) regardless of vehicle type	\$200.00	\$100.00
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Refuse Bags

Plastic bags – packet of 10		\$10.00
Plastic bags – packet of 50		\$47.50

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

LIBRARIES

Reserves (non-urgent) per request	\$1.00
Interloans (non-urgent) per request	\$10.00
Interloans (urgent)	At cost
Lost items	Original 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) will be in accordance with the following:

- an initial charge for the first chargeable half hour or part thereof \$30.00
- then for each additional half hour or part thereof \$38.00

Actioning the request includes search and retrieval of information, provision of manuscripts and the supervision of access.

(c) Photocopying on standard A4 or foolscap paper will be free of charge for the first 20 pages and thereafter will be charged at (per page) \$0.20

(d) All other charges incurred shall be fixed at an amount that recovers the cost to Council in providing the information involved. This will include:

- producing a document by the use of a computer or other like equipment

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

- 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
 - any situation in which a charge or cost 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 Council Division or Group in its work.
- (f) The Charges will 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 are required to 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.

PARKING

Meters (Monday to Saturday)

1 hour time limit (per hour)	\$1.20
2 hour time limit (per hour) (apart from Rutherford Street)	\$1.20
Rutherford Street (per hour)	\$0.80
No time limit	\$0.60/hour up to 6 hours then \$0.10/hour

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

Pay And Display**Off-street areas (Monday to Friday)**

Civic Fountain/Dowse/Stevens Grove (per hour)	\$0.60
Maximum per day	\$4.00
Riverbank carpark (Monday to Friday)	
Per hour	\$0.40
Maximum per day	\$2.00

(reduced charges may apply from time to time in some areas of the Riverbank carpark)

On-street areas (Monday to Friday)

Myrtle Street – all day angle parking (per hour)	\$0.40
Maximum per day	\$2.00
Raroa Road/Bloomfield Terrace – 1 hour time limit (per hour)	\$1.20
Cornwall Street – 2 hour time limit (per hour)	\$1.20
Cornwall Street – all day parking	\$0.60 per hour up to 6 hours then \$0.10/hour

Leased Parking

Riverbank (standard rate) per week	\$15.00
Victoria Street (standard rate) per year	\$260.00

Penalties – Metered Areas

Maximum as set out in the Transport Act

Penalties – Pay and Display Areas

No displaying a ticket	\$40.00
Overstay where the excess time is:	
No 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	\$31.00
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

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

RECYCLING

Replacement recycling containers \$10

ROADING

Subdivision Inspection and Approval Charges
 Boundary adjustment \$132.30
 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

	Standard Fee	Admin. /Inspection
Concrete dished crossing/m ²	\$65.00	\$72.00
Extensions to existing concrete crossings/m ²	\$65.00	\$72.00
Installation of concrete dished crossing in conjunction with road reconstruction work/m ²	\$32.50	\$72.00
Concrete block crossing	Actual Cost	\$72.00
Pipe crossing	Actual Cost	\$72.00
'Slot' type crossing/m ²	\$65.00	\$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) \$48.09

SPORTS FIELDS

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

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

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

Events and commercial operators	By quotation
Picnic bookings (30 or more persons)	\$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	\$3.50
Child	\$2.00
Over 60s	\$2.00
Spectator (non-supervising adult)	\$1.00
Family pass (2 adults/4 children)	\$7.50

Concession Tickets

Adult 10 swim concession	\$29.75
Adult 30 swim concession	\$73.50
Child and over 60s 10 swim concession	\$17.00
Child and over 60s 30 swim concession	\$42.00

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).

Pool Hire

Permanent hire per hour (for example, weekly 25 metres) includes all aquatic clubs	\$48.00
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	\$2.50
Child	\$1.50
Over 60s	\$1.50
Spectators (non-supervising adult)	\$1.00
Family pass (2 adults/4 children)	\$6.00

Concession Tickets

Adult 10 swim concession	\$21.25
Adult 30 swim concession	\$52.50
Child and over 60s 10 swim concession	\$12.75
Child and over 60s 30 swim concession	\$31.50

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

Note: Figures in BOLD indicate charges from last year (last year's changes are in brackets).

WASTEWATER

Sewerage Connection

Sewerage connection fee	\$25.00	
Trade Waste Consent Fees	Consent fees	Consent + \$200 if conditional consent required:
Class 1: high risk	\$1,200.00	\$1,400.00
Class 2: moderate risk	\$600.00	\$800.00
Class 3: low risk	\$300.00	\$500.00
<i>Note: May also include major fast food businesses</i>		
Class 4: minimal risk	\$120.00	N/A
<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	\$50.00	N/A
<i>Note: May include takeaway food premises, cafes and small restaurants</i>		
Trade Waste User Charges		
Volume (m3)	\$0.361 per m3	(\$0.1862)
Suspended Solids	\$0.555 per kg	(\$0.4651)
COD (Chemical Oxygen Demand)	\$0.171 per kg	(\$0.1786)

WATER

Water connection fee	\$40.00	
Fee for use of water by builders on unmetered industrial and commercial sites	\$70.00	
Charge for Ordinary Supply Class 2 Water		
Minimum charge	Annual targeted rate	
Domestic water meter rental	\$40.00	
Normal users (per cubic metre):		
• up to 100,000 cubic metres	\$1.17	
• in excess of 100,000 cubic metres	\$0.86	
Water supplied by hydrant:		
• per cubic metre	\$1.17	(\$1.15)
• minimum charge	\$18.00	(\$16.00)
Back flow prevention – annual inspection charge	\$120.00	(\$100.00)

Note: Figures in BOLD indicate changes from last year (last year's charges are in brackets).



*Council Controlled
Organisations*



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)
Seaview Marina Limited • (Formerly named Caulfold Holdings Limited)	From 1 April 2003, this company assumed responsibility for and ownership of the Seaview Marina. This is the key role of this company.	The principal objective of the company is to own and operate a marina complex known as Seaview Marina as a facility for the enjoyment of the Hutt City community without compromising its commercial objectives and environment responsibilities	<ul style="list-style-type: none"> • Ensure everything complies with financial, building, technical and regulatory standards. • Ensure property and asset maintenance is carried out in accordance with Asset Management Plans and to best applicable trade standards and practice. • Achieve a rate of return on shareholder funds of 5% before taxation in 2004/05 and 2005/06 financial years and 7.5% in the 2006/07 financial year.
Hutt Holdings Limited • (Formerly named Centre City Plaza Limited)	This company managed the Centre City Plaza buildings prior to the sale of those properties in July 2002.	The business of the company is to finalise residual issues arising from the management of the company's investment in Centre City Plaza.	That the company provides reports to officers in accordance with performance monitoring requirements under the Local Government Act 2002.
Wellington Water Management Limited (WWML)	The primary responsibility of WWML is to manage the provision of water services to Council and Wellington City Council.	Objectives will be set out in the Statement of Intent for this CCTO.	Performance measures will be set out in the Statement of Intent and other key company documentation for this CCTO.

COUNCIL-CONTROLLED ORGANISATIONS

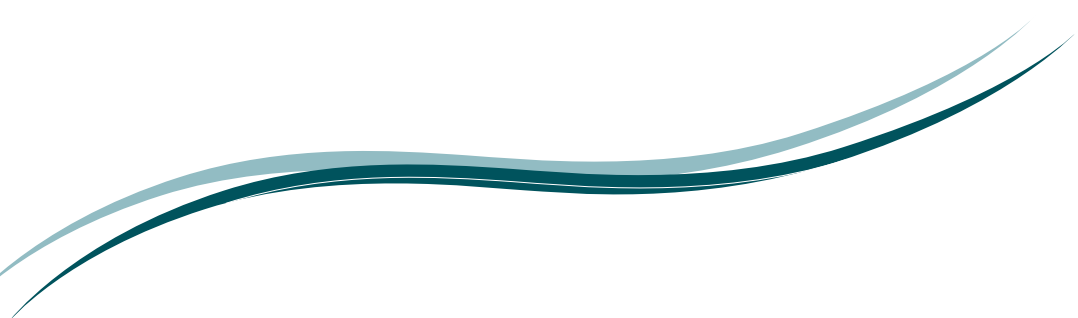
ORGANISATION	WHY DOES IT EXIST? (why we own/control it)	WHAT DOES IT DO? (nature and scope of its activities)	WHAT ARE ITS PERFORMANCE MEASURES? (key performance targets)
<p>Wellington Regional Economic Development Trust (operating name Positively Wellington Business ('PWB'))</p>	<p>Council has an economic development strategy that includes encouraging economic activity and cooperation 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, which was established to ensure there is opportunity for cooperation 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>It facilitates, promotes and fosters development of a dynamic and innovative economy in the Wellington region for the benefit of the people of the Wellington region by:</p> <ul style="list-style-type: none"> • Encouraging and assisting in the establishment, retention and development of sustainable new and existing businesses • Promoting new investments • Developing viable employment opportunities • Marketing business opportunities • Working with local, regional and central government and other providers of services within the Wellington region. 	<ul style="list-style-type: none"> • Work within approved budget and Business Plan • Work within and report on the approved Strategic Plan and Statement of Intent • Other key performance measures identified are: <ul style="list-style-type: none"> - Number of new jobs established in the region - Wellington region's share of national GDP - Number of companies investing, reinvesting or locating in the Wellington region - Growth in number of people employed in the region with business cluster groups relative to national growth figures - Number and value of collaborative international contract bids won by cluster members - Wellington region recognised as Innovative with Entrepreneurship culture.

COUNCIL-CONTROLLED ORGANISATIONS

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)
Minoh House Friendship Trust ^	<p>It sponsors and supports development of cultural awareness to advance good relationships between the people of the greater Wellington region and their Japanese sister cities Minoh City, Nishio City and Sakai City.</p> <p>It has a charitable purpose and is for the benefit of the community.</p> <p>This CCO is jointly ‘controlled’ through direct and indirect appointments by Council and Porirua and Wellington City Councils.</p>	<p>It administers and manages the property, funds, and affairs of the trust.</p>	<ul style="list-style-type: none"> • Prepare and adopt an Annual Plan which sets out the Trust’s intended significant policies and objectives, and the nature and scope of significant activities.

•For more information on these organisations, see their Statements of Intent, which are available after 1 July each year on www.huttcity.info under ‘Public Notices’.

^This organisation is caught within the meaning of ‘Council-Controlled Organisation’ under the Local Government Act 2002. Council may consider exempting this organisation under section 7[3].





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 the 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 Hutt City.

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 often used to include Uniform Annual General Charges and Targeted Rates also.

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 Tenth 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

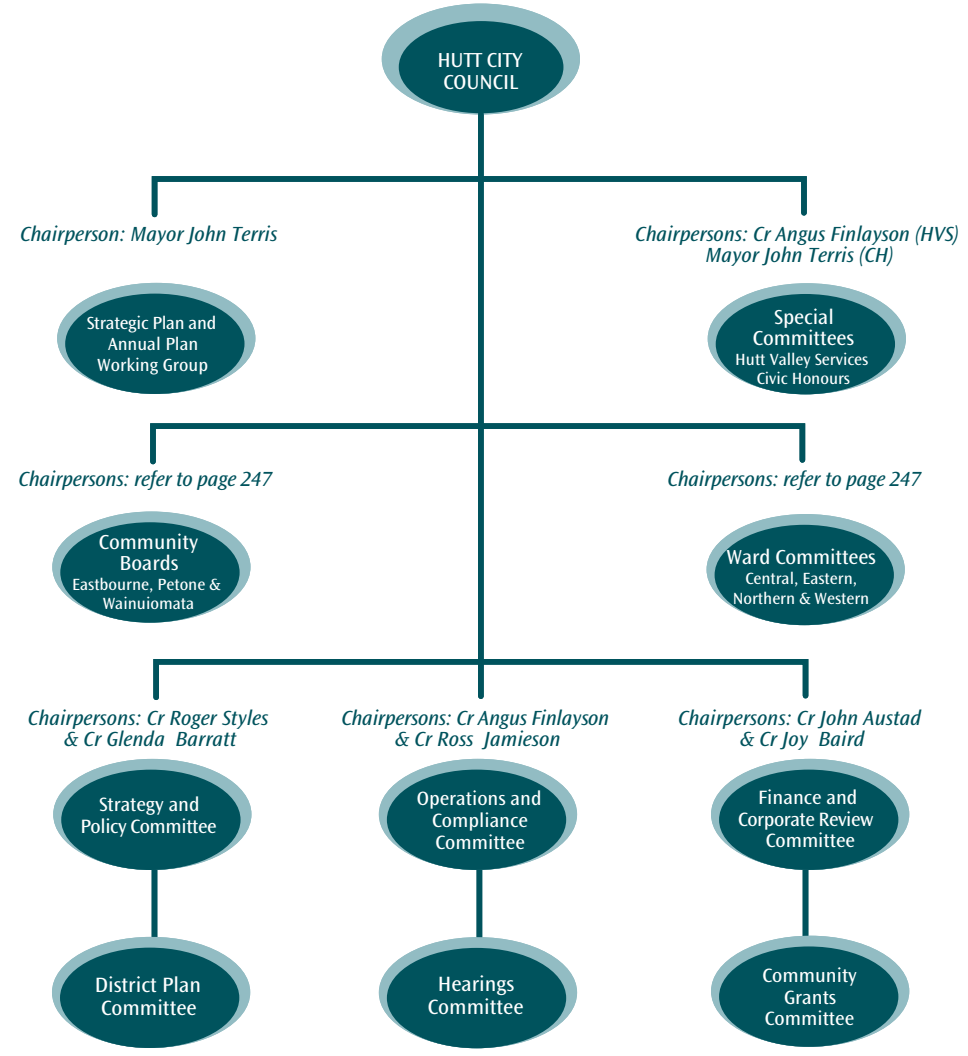
	Percentage change from 1996	
Land area (hectares)	37,998	
2001 Population by Ward (NZ Census 2001)		
Northern	14,805	1.1%
Eastern	16,476	0.0%
Western	11,913	2.3%
Central	18,150	-0.3%
Wainuiomata	17,058	-3.9%
Harbour	17,070	-0.2%
TOTAL POPULATION 2001	95,472	-0.4%

2001 Households by Ward (NZ Census 2001)

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%
TOTAL HOUSEHOLDS 2001	34,662	1.7%

TOTAL COUNCIL ASSETS (30 June 2003)	\$826,676,000
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	\$8,558,018,900

Political Structure



Mayor and Councillors

(I) Independent (CV) City Vision – Terris' Team (H) Hutt 2020/Labour



John Terris

Mayor QSO (CV)

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Northern Ward

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Councillor Ray Wallace JP (I)

Deputy Mayor, Wainuiomata Ward

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Harbour Ward

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Councillor Angus Finlayson JP (CV)

Northern Ward

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Councillor Glenda Barratt (CV)

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Councillor Margaret Cousins JP (I)

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Councillor Julie Sylvester (CV)

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Community Board and Ward Committee Members

Eastbourne Community Board

Mr Geoff Mann (Chair)
Mr Roger Lawrence (Deputy Chair)
Ms Maureen Burgess
Mr Simon Shaw
Mr Peter Willis
Cr Joy Baird

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Eastern Ward Committee

Mrs Jan Paterson (Chair)
Miss Sally Fergus (Deputy Chair)
Mr Gerry Pallo
Mr Richard Small
Mr Harry Whishaw
Cr Glenda Barratt

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976 8500

Petone Community Board

Ms Maureen Burgess (Chair)
Mr Murray Smith (Deputy Chair)
Mr Gerald Davidson
Mr Warwick Johnston
Miss Moana Mackey
Mrs Sandra Wilson
Cr Ross Jamieson

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Northern Ward Committee

Mr Fred Allen (Chair)
Mr Athol Greentree (Deputy Chair)
Ms Shayne McIntyre
Mrs Sylvia Stevenson
Mrs Audrey Misipeka
Cr Joy Baird

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Wainuiomata Community Board

Mrs Tracey Pollard (Chair)
Mr Reg Moore (Deputy Chair)
Mr Randall Day
Mr Tony Leatham
Cr Julie Sylvester
Cr Ray Wallace

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Western Ward Committee

Mrs Kathryn McGavin (Chair)
Mrs Jacinth Webster (Deputy Chair)
Mr Francis Chandrahasen
Mr Arthur Drake
Mrs Sherril McNabb
Cr Angus Finlayson

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Central Ward Committee

Mr Brian Moylan (Chair)
Mr Bill Werry (Deputy Chair)
Mr John Bishop
Mrs Deborah Hislop
Mr Evan Ng
Cr Ray Wallace

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Executive Management Team

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