



KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI
POLICY, FINANCE AND STRATEGY COMMITTEE

Meeting to be held in the Council Chambers, 2nd Floor, 30 Laings Road, Lower Hutt
on
Tuesday 29 October 2024 commencing at 2.00pm

SUPPLEMENTARY ORDER PAPER

PUBLIC BUSINESS

1. **RECOMMENDATION TO TE KAUNIHERA O TE AWA KAIRANGI**
COUNCIL - 29 OCTOBER 2024

Update on Final Changes to the Hutt City Council Group Annual Report 2023-2024

Report No. PFSC2024/5/308 by the Advisor Strategic Planning and Business 2

6. **QUARTER 1 2024-25 COUNCIL'S PERFORMANCE REPORT**

Report No. PFSC2024/5/309 by the Advisor - Enterprise Portfolio
Management Office

286

Jack Kilty
Democracy Advisor

TO: Chair and Members



Policy, Finance and Strategy Committee

FROM: Harman Singh, Advisor Strategic Planning and Business

DATE: 22 October 2024

SUBJECT: UPDATE ON FINAL CHANGES TO THE HUTT CITY
COUNCIL GROUP ANNUAL REPORT 2023-24

Purpose

1. The purpose of this memorandum is for the Komiti Ratonga Rangatōpū me te Rautaki | Policy, Finance and Strategy Committee (the Committee) to receive the designed 2023-24 Group Annual Report (the Annual Report) and Summary Annual Report for final endorsement.

Discussion

2. This memorandum should be read in conjunction with Hutt City Council Group Annual Report 2023-24 [Agenda of Policy, Finance and Strategy Committee - Tuesday, 29 October 2024](#)
3. The summary of changes made in response to Committee feedback following the meeting on 14 October 2024 is outlined in Table 1.

Table 1: Summary of Changes

Section	Amendments
Elected Members' Feedback	<ul style="list-style-type: none"> a. Inclusion of Te Reo names for Council assets; b. Percentages added alongside reported numbers for pools, libraries and museums; and c. Minor text and grammatical corrections.
Financial Statements	<ul style="list-style-type: none"> a. Alterations to various sections for the updated valuation of above-ground assets for the three waters networks after the revised report from WSP valuers was received; b. Adjustment to reduce grant revenue by \$5.4M as a result of booking Government funding for Naenae pool too early in error; c. Modifications to both non-financial and financial statements extracted from Wellington Water Limited's draft annual report; d. Modifications to tax in the financial statements following audit completion of Council and Group financial performance results; and e. Minor edits to the notes as a result of the auditors' review and feedback.

Unadjusted difference

4. Late Wednesday afternoon, 24 October 2024, officers were advised by the auditors of the following error in relation to Tupua Horo Nuku revenue:
 - a. creditors understated by \$1.25M;
 - b. revenue understated by \$1.25M and
 - c. capex project understated by \$2.5M.
5. Due to timeframe and materiality, this has not been adjusted in financial statements.

Auditor's Report

6. On 23 October 2024, Council received audit clearance from Audit NZ on the Annual Report and Summary Annual Report subject to the following matters to be resolved:
 - a. capital commitments relating to contracts entered by Wellington Water Limited on behalf of Council (note 27), which were excluded in previous annual reports; and
 - b. enhancement of the Three Water revaluation disclosure (note 14).

7. The Auditor's Report will be tabled at the meeting at which point these matters are expected to be resolved and a verbal update presented.

Next Steps

8. Following Council's adoption of the full Annual Report and Summary Annual Reports, the final audited versions will be published.

Appendices

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Author: Harman Singh
Advisor Strategic Planning and Business

Author: Darrin Newth
Financial Accounting Manager

Reviewed By: Richard Hardie
Head of Strategy and Policy

Reviewed By: Jenny Livschitz
Group Chief Financial Officer

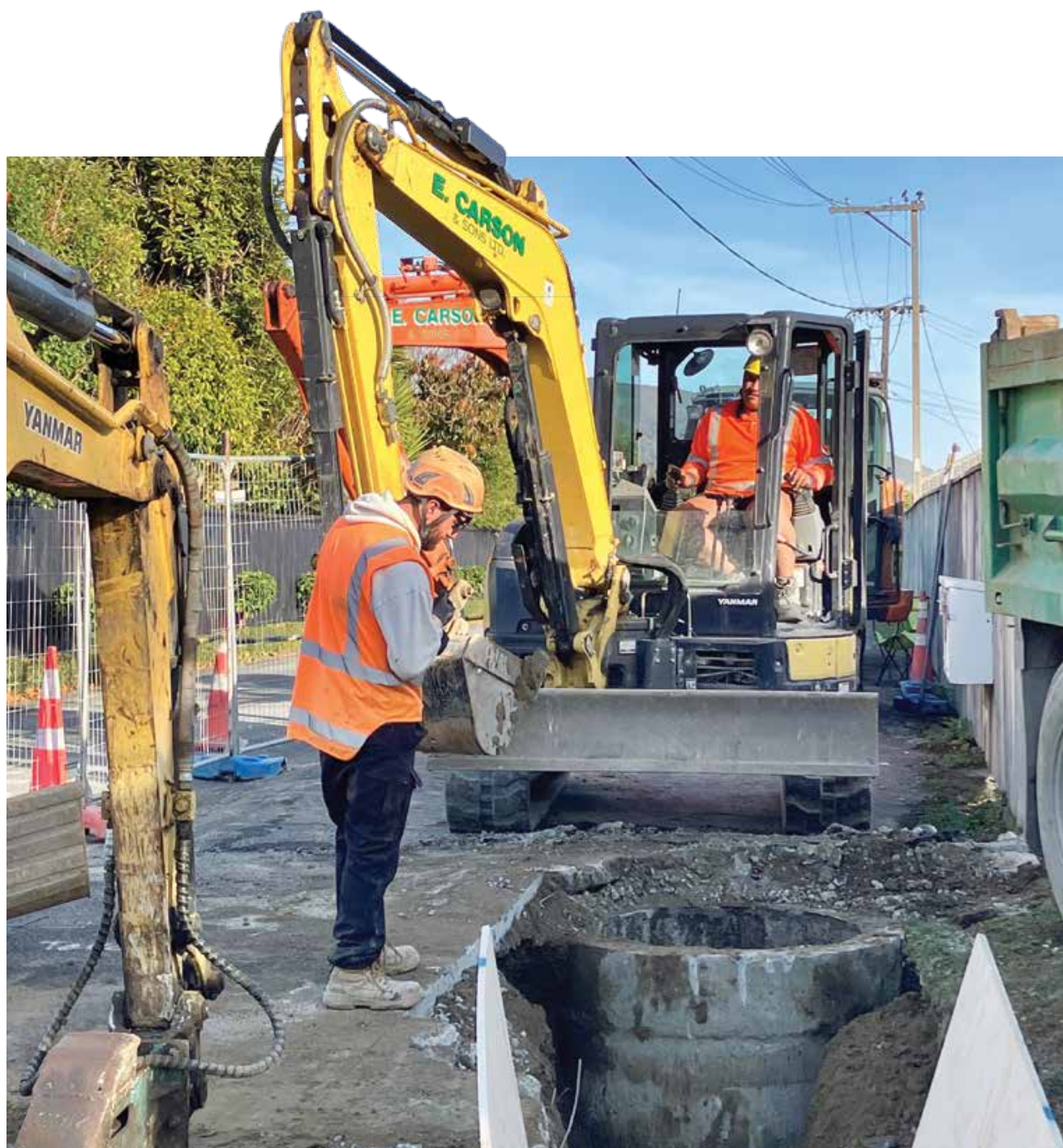
Reviewed By: Jarred Griffiths
Director Strategy and Engagement


Approved By: Jo Miller
Chief Executive

2023–24



Pūrongo ā-Tau Annual Report





The lines woven throughout this document are inspired by the topographic lines of two significant areas around Te Awa Kairangi ki Tai Lower Hutt: Pukeatua, the high ridge between Waiwhetū and Wainuiomata and Pukeariki, the highest point in Wellington's Belmont Regional Park (Belmont Trig). The movement of the lines references the form of the land, the coastline's shape, the tides' movement, and the river's flow and symbolises the energy and diversity of the different cultures, communities and people living and working together in Te Awa Kairangi ki Tai Lower Hutt.

He mihi

Ko Te Awa Kairangi he pou herenga iwi, he pou herenga waka.

Here mai ko te kei o tō waka ki te tumu herenga waka o ngā pae mouna kua whakatūtūria nei e te hikuroa o Ngake Mai i Tararua ki Remutaka ki Pūrehurehu, ki Pōkai Mangumangu, ki Pareraho, ki Tirohanga, ki Tukutuku, ki Puke Tirotiro, ki Pukeariki, e whakamarumarutia nei Te Tatau o Te Pō a Ngāti Te Whiti, a Ngāti Tāwhirikura, ki Pukeatua, te tuahu tapu o Te Kāhui Mouna i te wā i a Māui ki te whakapuare i te wahanui o Te Ika Whakarau a Kutikuti Pekapeka.

I ahu mai i Te Wai Mānga, i a Rua Tupua, i a Rua Tawhito, Ko Ngake, ko Whātaimai. Ka timu ngā tai o Te Wai Mānga, ka parzi mai ko Te Whanganui a Tara e pōkarekare mai ana.

Ka tū a Pukeatua ki runga i ngā wai e kato ana, i a Awamutu, i a Waiwhetū, kei reira a Arohanui ki te Tangata a Ngāti Puketapu, a Te Matehou, a Ngāti Hāmua e tū ana, tae noa atu rā ki ngā wai tuku kiri o te pūaha o te awa o Te Awa Kairangi.

Koia hoki te puna i heke mai ai he tangata. E kore e mimiti tēnei puna, ka koropupū, ka koropupū. Ko Te Awa Kairangi e rere iho mai ana i hōna pūtakenga i Pukemoumou i te paemounga o Tararua ki runga i hēnei whenua, ki runga i tēnei kāinga, hei āhuru mōwai ngā iwi.

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

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

It was here that the two ancient tūpuna, Ngake and Whātaimai, were summoned from the depths of the fresh water lake, tasked with prising open the mouth of the great fish.

It is Pukeatua that stands above the waters of Awamutu and Waiwhetū, the home of Arohanui ki te Tangata of Ngāti Puketapu, Te Matehou, and Ngāti Hāmua, flowing out to the life-giving waters at the mouth of Te Awa Kairangi.

This is the spring that gives life to the people. This spring which will never be diminished, it will continue to flow, it will continue to flourish. Te Awa Kairangi that flows down from its source at Pukemoumou in the Tararua ranges and over these lands as a sheltering haven for the people.

Ngā hua o roto

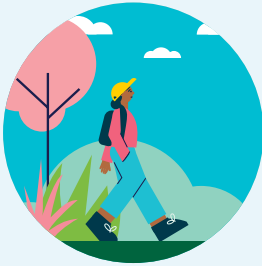
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He karere nā te Koromatua / Tumu Whakarae

Message from the Mayor and Chief Executive



Kia ora,

Welcome to the 2023-24 Annual Report for Hutt City Council.

The past year has seen significant progress for Te Awa Kairangi ki Tai Lower Hutt, as we've seen the return of our community to our hubs, libraries and facilities, and a marked increase in investment in our city and services, despite the challenges we all face.

Rising inflation, escalating contract and construction costs, and the pressure of servicing debt has weighed heavily on households. In this tough environment we've remained steadfast in our commitment to invest in core services and addressing critical infrastructure.

Amidst financial and economic pressures and new government policy settings, we adapted quickly. We delivered key projects outlined in our Annual Plan and adopted a new 10 Year Plan (LTP) that sets our priorities for the next decade, with a strong focus on upgrading ageing infrastructure, especially our water assets.

Council delivered \$175M of its capital investment programme, \$19M more than the previous year. Key areas of spending included \$74M for water services, \$42M for transport, and \$22M for Te Ngaengae, our new Naenae pool and fitness centre.

In partnership with Wellington Water, we renewed 15.8 km of pipes – the highest renewal rate in the region. We've started improvement works at Seaview

Wastewater Treatment Plant, including replacing biofilters to improve odour management. We know more work is needed which is why we've planned further upgrades to the plant over the coming years. There's also more to do in restoring our streams and waterways, and we are proud to be leading this important mahi.

We reopened Eastern Hutt Road following the 2022 landslips, completing 65,000 hours of work that will make this transport route more resilient. We also made progress on repairs to other roads affected by landslips and we delivered 13 new or upgraded pedestrian crossings, with significant works underway on Boulcott and High Streets, and Akatea Road.

In November 2023, we opened the first section of Tupua Horo Nuku, a shared pathway that improves resilience for the Eastern Bays while providing safe walking and cycling along Marine Drive. This will also help protect the road from climate change impacts.

Construction on Te Ngaengae, our new aquatic and fitness facility, is almost complete, and opens in December 2024. Environmentally responsible design has been a priority, with 80% of surplus construction waste recycled. The opening will also mark the introduction of free swimming at our pools for under-10s when accompanied by an adult with a Community Services Card.

With strong financial oversight our year-end underlying net operating result was favourable to budget. Hutt City Council, like most councils, continued to experience cost escalations and rising debt. Affordability of rates, and limited funding solutions constrained our ability to increase revenue and offset these costs. This, along with uncertainty related to government policy settings especially in relation to water services, led to a Standard & Poor's Credit Rating Agency downgrade by one notch to a long-term credit rating from AA to AA- in August 2024.

Our community embraced environmental initiatives like Mouri Tupu – Planting for the Future which aligns with our Indigenous Biodiversity Strategy and fosters a deeper connection between residents and nature.

Despite financial challenges, we are proud of the progress we've made in creating a connected, resilient, and inclusive city. We look forward to building on these achievements in the coming year.

Campbell Barry
**Te Koromatua o Te Awa Kairangi
ki Tai**

Mayor of Lower Hutt

Jo Miller
Tumu Whakarae
Chief Executive Hutt City Council

Nga Kīwei o Te Kete

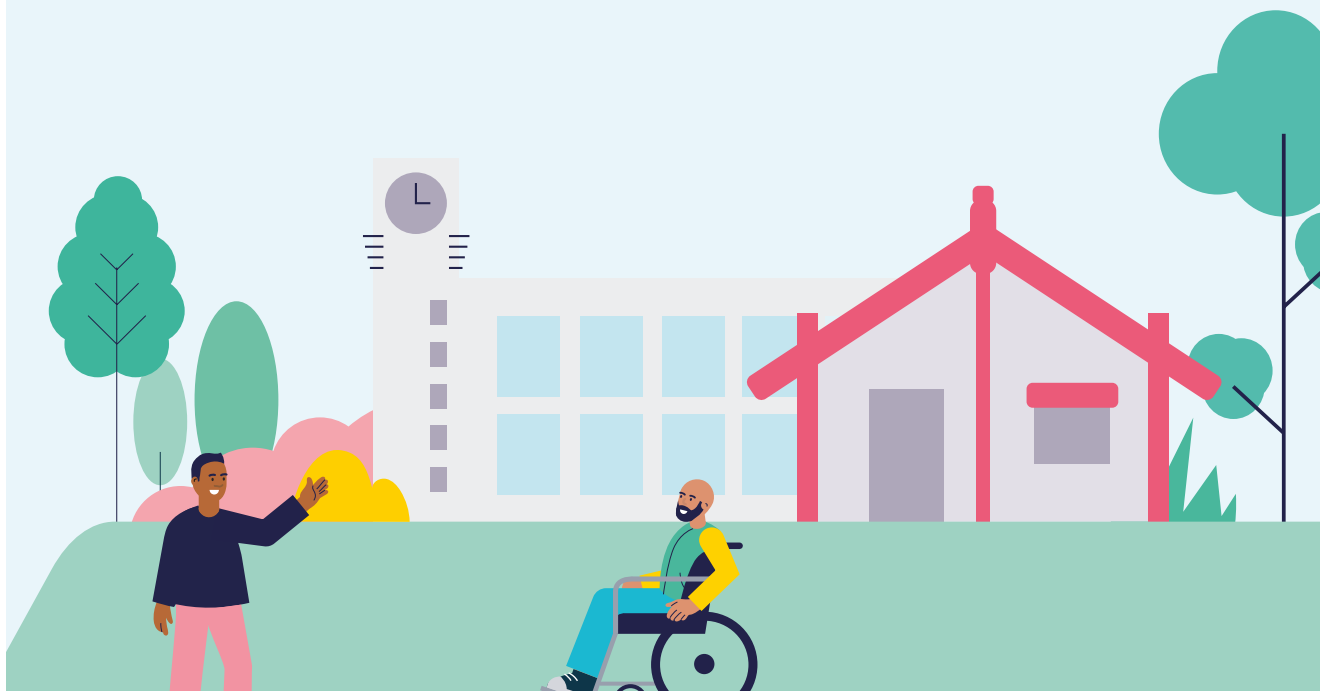
Partnership with Mana Whenua

We have a key partnership with Mana Whenua founded on Te Tiriti o Waitangi.

Te Āti Awa Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira hold historic and territorial rights in Te Awa Kairangi ki Tai Lower Hutt. Mana Whenua interests are represented by two marae, Te Tatau o Te Pō and Waiwhetū Marae, as well as five Iwi organisations: Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement) Trust, Te Rūnanga o Toa Rangatira, Wellington Tenths Trust, Palmerston North Māori Reserve Trust, and Te Rūnanganui o Te Āti Awa ki Te Upoko o Te Ika a Māui.

We have developed Tākai Here with the organisations representing Mana Whenua and Iwi Māori in our area. Tākai Here follow a covenant approach, reflect Iwi plans, and align with both Council and Iwi aspirations.

We work to include Te Ao Māori in our policies and practices, respond to Māori needs and aspirations, and meet our obligations under Te Tiriti o Waitangi. We understand that a strong partnership with Mana Whenua is crucial for a thriving city for our people.



Tirohanga whānui

Overview

1



Aratohu pānui pūrongo

How to read this report

The aim of this Annual Report is to assess how we did against the goals we set for the year.

Here's a quick summary of the Council's planning and reporting cycle:

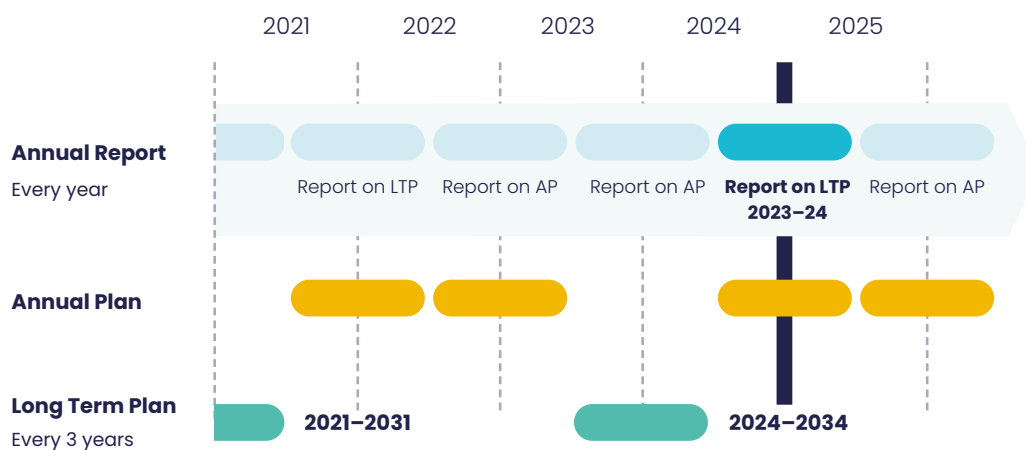
- 10 Year Plan (or Long Term Plan) and Annual Plan work together. The 10 Year Plan outlines our purpose for the city over the next decade and details key projects and budgets for that period. The first year of the 10 Year Plan also acts as the Annual Plan for that year.
- For the two years following a 10 Year Plan, we produce a new Annual Plan each year. Think of these as chapters two and three of the 10 Year Plan.
- In both our 10 Year Plan and Annual Plan, we set goals across different areas to ensure the Council is always improving and serving our community. In the Annual Report, we compare our set goals with what we actually achieved during the year. This report is then audited by the Office of the Auditor-General.

In 2021, we released our Long Term Plan for 2021–31, aiming to create a city where everyone can thrive. To achieve this, we identified six key priorities (see page 13 for more details).

- 1** The first section of this Annual Report provides an overview of our performance and key highlights from the year, organised by these six priorities so you can see what we're doing in each area to move towards our purpose.
- 2** The second section details our performance in each area of work and compares our actual spending with our budgets.
- 3** The final section offers detailed financial information for the year 2023–24.

Example of Council planning and performance monitoring cycle.

Council planning and performance monitoring cycle



Tō tātou tāone

Our city

Te Awa Kairangi ki Tai Lower Hutt is a growing city with dynamic and diverse communities.

From our rich cultural heritage and beautiful landscapes to impressive coastlines and vibrant economic sectors. Our city borders Porirua to the north, Upper Hutt to the north-east, South Wairarapa to the east and Wellington to the south-west and west. It is one of nine territorial authorities in the Wellington Region.

Explore Lower Hutt: A snapshot of our vibrant city



Population & housing

Population:
114,006
(Mar 2024) Source: Sense Partners

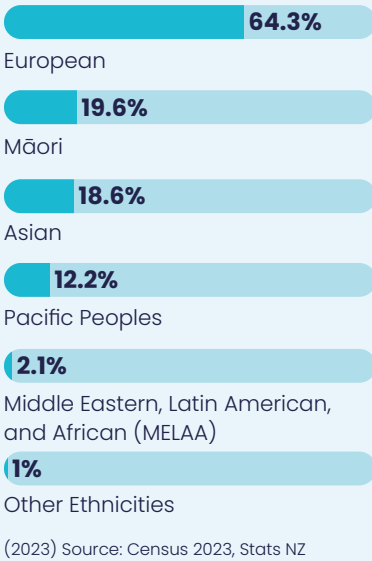
Census Usually Resident Population
(number of people):
107,562
(2023) Source: Census 2023, Stats NZ

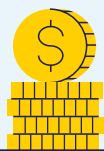
Dwellings:
42,504
(2023) Source: Census 2023, Stats NZ

Average House Value:
\$769,254
(Mar 2024) Source: Infometrics

Median Rent Price:
\$573
(Mar 2024) Source: Infometrics

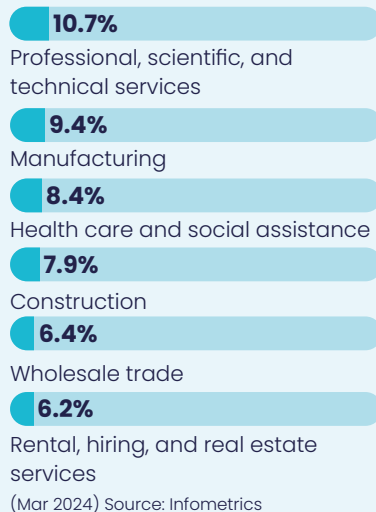
Cultural diversity





Economic landscape

Top Sectors:



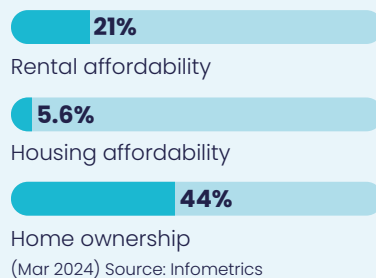
Median personal income for Lower Hutt:

\$47,800

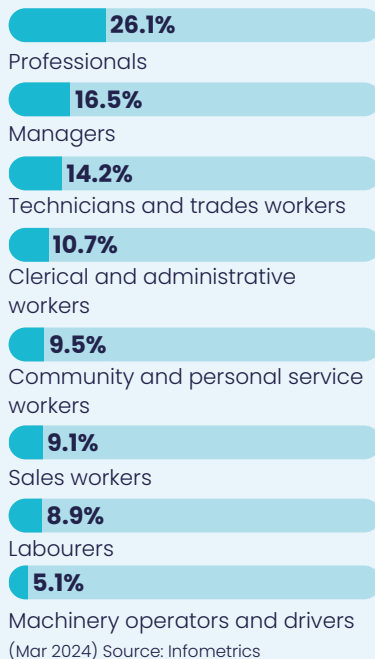
(2023) Source: Census 2023, Stats NZ



Housing affordability



Workforce



Health & wellbeing

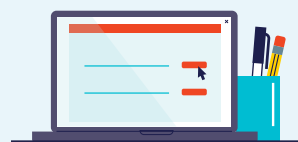
Cancer mortality rate:
135 per 100,000

(Mar 2024) Source: Infometrics

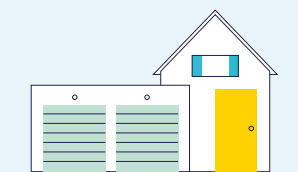
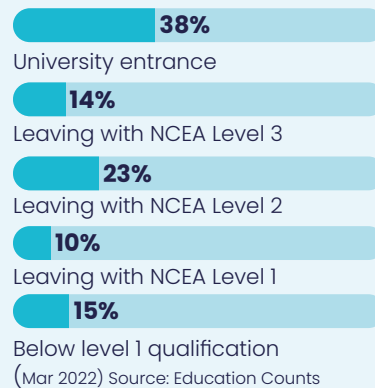
Child mortality rate:
226 per 100,000

(Ministry of Health 2018)

Gaming machine proceeds:
\$87.17 per person per quarter
is the average amount lost to gaming machines (pokies)
(Mar 2024) Source: Dot Loves Data



Education



Community services

Public housing stock:

3,593

(Dec 2024) Source: Infometrics

Households in emergency housing:

79

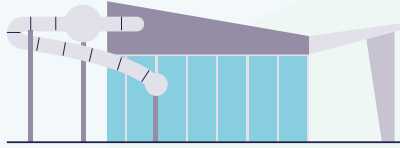
(Mar 2024) Source: Infometrics

Housing register applicants:

579

(Mar 2024) Source: Infometrics

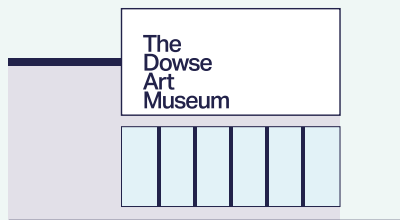
Council assets



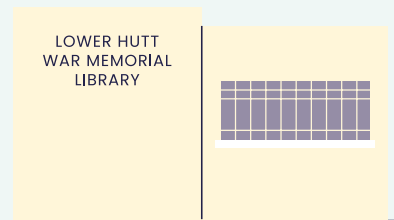
5
pools



8
community
halls



2
museums



9
neighbourhood
hubs and libraries



281
reserves



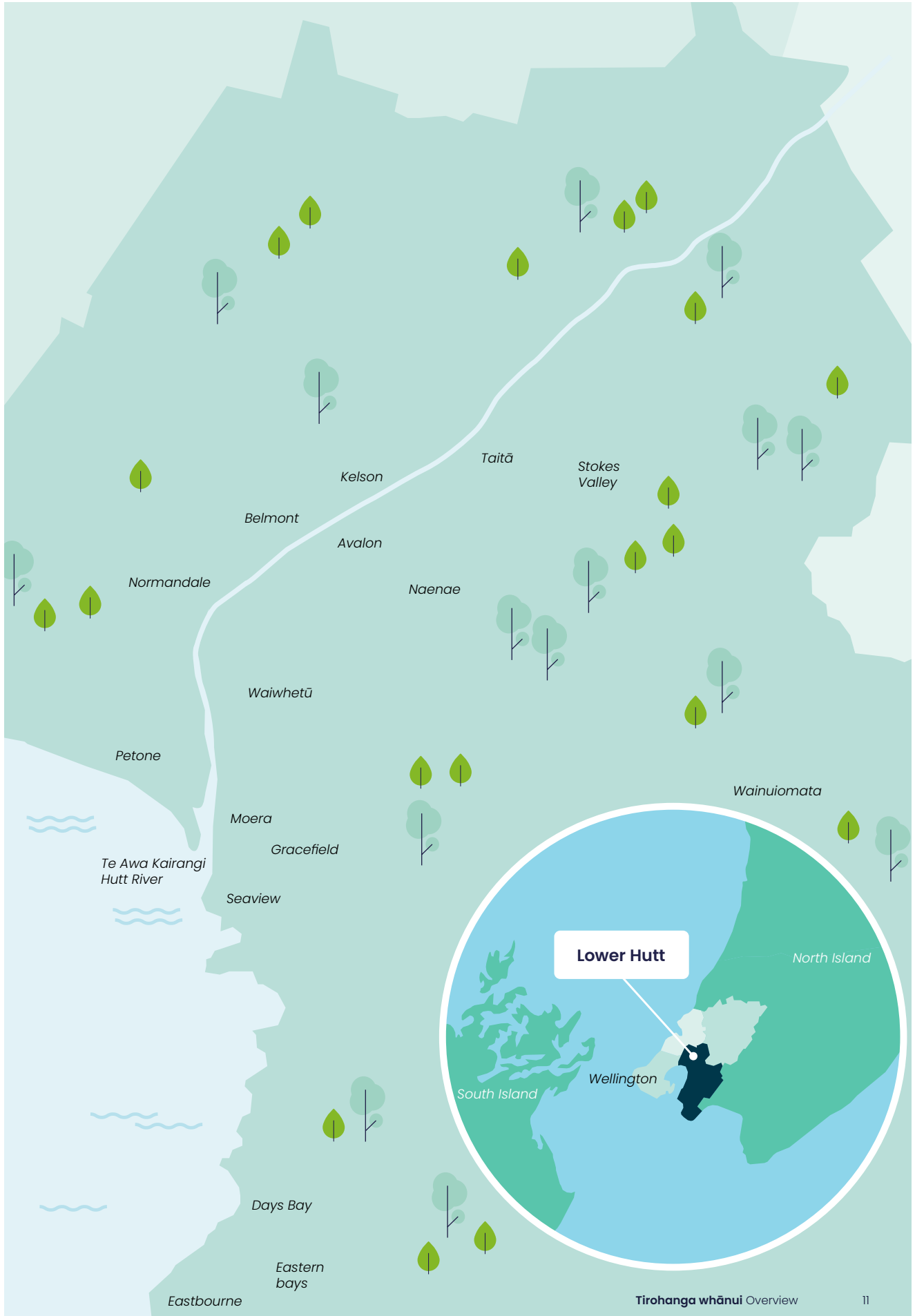
55
playgrounds



2,918 hectares
of public green space (these include
parks, reserves, sports grounds,
playgrounds, gardens, and cemeteries)



1,846km
of pipes (drinking, waste
and storm water)



Ko wai mātou? He aha hā mātou mahi?

Who we are and what we do

Hutt City Council is responsible for making democratic and effective decisions in Te Awa Kairangi ki Tai Lower Hutt.

Our duties are guided by the Local Government Act 2002, which requires us to promote the social, economic, environmental, and cultural wellbeing of both current and future communities. We achieve this through the services we provide and by working with our community to develop a strategic purpose.

We support our community in various ways. We manage community facilities and offer public services, such as libraries, neighbourhood hubs, parks, sports grounds, swimming pools, and other reserves. We also manage rubbish and recycling collection, wastewater treatment, emergency management, and street maintenance.

We are continuing the future-proofing of our city through transport and resilience projects, including Te Wai Takamori o Te Awa Kairangi (formerly RiverLink), Eastern Hutt Road, and Tupua Horo Nuku (Eastern Bays shared path).

Update on Local Water Done Well implementation and regional collaboration

In December 2023, the Government announced a new plan for managing water services – drinking water, wastewater, and stormwater – called Local Water Done Well.

The Government has passed new laws to establish the Local Water Done Well framework and begin the transition to a new water services system. This new approach aims to create sustainable and regulated water services.

Local Water Done Well is proposed to be rolled out in three stages, each with its own legislation. It is currently in the second stage, with the Local Government (Water Services Preliminary Arrangements) Bill having been introduced to Parliament on 30 May.

Regional response

One key requirement is for councils to develop plans for delivering water services. Along with other councils, we have signed a Memorandum of Understanding (MoU) to collaborate on a plan to meet the Government's Local Water Done Well policy. This MoU includes

the four Wellington metropolitan councils, Greater Wellington Regional Council, and the Kāpiti Coast, Horowhenua, Carterton, South Wairarapa, and Masterton District Councils.

An Advisory Oversight Group (AOG) has been formed to oversee this regional approach. Led by Dame Kerry Prendergast, the group includes elected members from the 10 councils in the Wellington region and Horowhenua district, along with Iwi representatives. Our council is represented on the AOG by Mayor Campbell Barry.

Various options are being explored, including continuing with the current service delivery or establishing a new water services organisation with other councils in the Wellington region.

Consultation is expected to take place in 2025 once more detailed options have been developed.

Hō mātou whakaarotau

Our priorities

We want Te Awa Kairangi ki Tai Lower Hutt to be a city where everyone thrives.

As a community, we're continuing to face significant challenges. In our 10 Year Plan 2021-31 we identified six key priorities alongside our community to help us tackle these challenges and achieve our purpose as a city where everyone thrives.



1 Whakangao i ngā poupu hapori

Investing in infrastructure

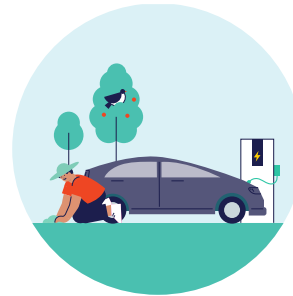
Investing in high-quality infrastructure that supports our people to move around, receive basic services (like water), and enjoy our community facilities.



2 Hei Āhuru Mōwai mō te Katoa

Increasing housing supply

Effectively planning for growth in our city, ensuring an increase in housing supply, and working with organisations to ensure our people have warm, safe, dry homes to live in.



3 Tiaki Taiao

Caring for and protecting our environment

Working with our communities to meet the challenges of climate change and our goal to become carbon zero by 2050.



4 Taunaki Ōhanga Auaha, Tāone Whakapoapoa

Supporting an innovative, agile economy and attractive city

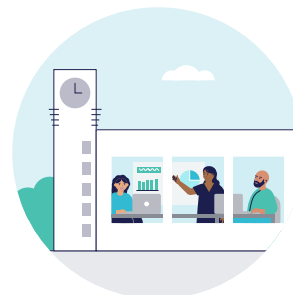
Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi ki Tai ower Hutt to make our city an attractive place to work and invest.



5 Tūhono Hapori

Connecting communities

Investing to connect and empower neighbourhoods and communities so they can thrive and remain safe, connected, healthy, inclusive, and resilient.



6 Whakauka Ahumoni

Financial sustainability

Investing in a financially sustainable and prudent way that ensures we are carefully managing our finances to deliver on our community's expectations.

These have now been updated as part of our 10 Year Plan 2024-34.

Ngā mahi o te tau

Our year in review

An overview of our performance and key highlights from the year.



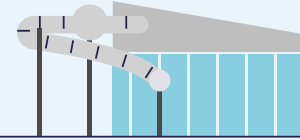
537

consents for new homes



69%

of the Council vehicle
fleet is electric



7.35% increase

694,128

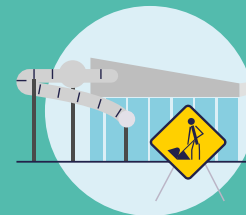
visits to pools



Key highlights



Completed phase one of Tupua Horo Nuku (Eastern Bays shared path) and received an extra \$15 million in government funding for the project



Main construction phase of new Te Ngaengae Pool and Fitness Centre was undertaken and the opening of Te Mako Naenae Community Centre



Launched the new Low Carbon Acceleration Fund that will result in a permanent step change in emissions reduction



Kicked off Mouri Tupu Planting for the Future, our campaign to plant 114,000 native trees and plants. We planted 33,112 plants during this financial year



18.13% increase

2,067,441
visits to neighbourhood
hubs and libraries



724,981
physical library loans



204,409
electronic library
loans



11.21% increase



159,412
visits to museums



- ✓ Re-opened Eastern Hutt Road, completing the first phases of a \$27.5 million remediation project by March 2024, with continued efforts to enhance corridor resilience



- ✓ Housing provider CCO Urban Plus Ltd (UPL) delivered five accessible houses and handed them over to their first Lower Hutt residents



- ✓ Continued our significant investment in three waters infrastructure and invested in upgrade work at the Seaview wastewater treatment plant



- ✓ Announced a new resilient and sustainable neighbourhood hub building for the Moera community



- ✓ Four Council projects were listed as finalists for the Association of Local Government Information Management (ALGIM) Project of the Year 2023 award



- ✓ Won local Government Website of the Year award for 2023

Whakangao i ngā poupou hāpori

Investing in infrastructure

We are making a significant investment in infrastructure to ensure our community can move freely, access essential services, and fully enjoy our facilities. This includes critical road and water projects designed to secure the long-term health and wellbeing of our city. These efforts are all about future-proofing our community and enhancing the quality of life for everyone.



We continued with construction of Tupua Horo Nuku in the Eastern Bays

In November 2023 we opened the first completed section of Tupua Horo Nuku at Ma-koromiko between Oruamotoro (Days Bay) and Eastbourne.

In the same month we were pleased to receive confirmation of additional government funding of \$15 million for the new seawall and shared pathway project, which stretches 4.4km along Marine Drive between Ngau Matau (Point Howard) and Eastbourne.

When fully completed, Tupua Horo Nuku is set to provide a safe walking and cycling connection along Marine Drive from Eastbourne to Ngau Matau (Point Howard) and provide greater protection for the road which has already been undermined in some sections by the ocean and extreme weather.

As well as providing this key transport route for our communities in the Eastern Bays, it will help safeguard important infrastructure under the road.

In May design plans for Whiorau (Lowry) Bay were also certified and in June 2024 construction began in Whiorau (Lowry) Bay and the Whiorau Bird Protection Area.



We played host to the regional construction and infrastructure workforce collaboration workshop

In October 2023 we hosted a workforce workshop with over 60 construction and infrastructure employers, educators, and regional colleagues.

This was an opportunity to bring together and create closer collaboration between major contractors and infrastructure partners. Important discussions were held around collective milestones and creating leadership together in programming, and clustering work across our cities, agencies, and employers.



We started work on safety improvements on Akatea Road in Korokoro

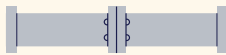
The work will improve the sections of the road with narrow bends and poor or non-existent footpaths, kerbing, and drainage channels, making it safer for all road users and pedestrians.



Other highlights:

- We agreed to continue to upgrade our city's infrastructure. This will remain a key focus, in particular for water services and transport.
- We replaced the Biofilters at the Seaview wastewater treatment plant, the first step to improve odour management. More work in this area will be done following planned upgrades and improvements, due to take place in 2025.
- We started work to upgrade the intersection of Boulcott Street and High Street. The improvements will improve traffic flow and safety for all road users in the area.
- We rolled out 13 new or improved pedestrian crossings across the city. This will enhance the overall safety and convenience for all users to encourage walking, cycling, and scootering.
- We worked with the community to improve safety and accessibility in Wainuiomata, using funding from Waka Kotahi New Zealand Transport Agency Streets for People fund. The improvements make it feel safer, more inviting, and accessible for residents to walk, skate, scooter, or bike through the area and to spend time in public spaces.

Dashboard



1,845km pipes



15.8km pipes renewed



1,158m of road replaced

(approx. 7,314m²)
2023-24 season



1,834m of road resurfaced

(approx. 25,793m²)
2023-24 season

Q Case study



Te Wai Takamori o Te Awa Kairangi (formerly RiverLink)

Te Wai Takamori o Te Awa Kairangi (formerly RiverLink) is a transformational programme for Te Awa Kairangi ki Tai Lower Hutt. It includes crucial flood protection work, the Melling transport improvements, the new Melling City Link Bridge, and Lower Hutt city centre urban revitalisation.

During the 2023-24 financial year, we worked on this programme with our partners, Waka Kotahi New Zealand Transport Agency, Greater Wellington Regional Council, the delivery alliance, and local Mana Whenua, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira. We also set up a new in-house delivery unit (City Delivery Unit) to lead the delivery of Te Wai Takamori o Te Awa Kairangi programme.

The scope of works undertaken in 2023-24 included:

- Upgrade works to the Mills Street stopbank between Melling city link bridge and north of Mills Street.
- Detailed design and appointment of contractor for the new Avalon Skatepark.
- Announcing the revised design for the new Melling interchange.

- Gravel extraction from Te Awa Kairangi Hutt River, as planned management of the riverbed.
- Removal and demolition of key sites on Daly, Pharazyn, Marsden, and Mills Streets.
- Utility and pavement investigations, including CCTV investigations into water assets.
- Geotechnical investigations across the Te Wai Takamori o Te Awa Kairangi site.

We are working to deliver local road and intersection improvements and streetscaping itself, as well as the riverbank car park and park aspects of the programme, which will assist in revitalising the area, turning the city to face the river, and help promote the river as a key asset to deliver our purpose for the city. We'll also work with Te Awa Kairangi alliance to deliver the Melling city link bridge linking the city and the relocated Melling train station.



Q Case study

Eastern Hutt Road stabilisation project

The Eastern Hutt Road stabilisation project followed several landslides on the hillside above Eastern Hutt Road in July 2022. The slips resulted in the partial closure of this major road, and significant disruption was experienced by residents, businesses, and others in the area. This project became one of our biggest infrastructure projects during 2023 and into 2024 providing extra resilience to this area.

Immediately after the slips, temporary measures were put in place to protect the road from further slips. The comprehensive remediation works that followed included fixing three major slip sites above the road and future-proofing them against any future slips.

Physical work on the project to improve the resilience of the Eastern Hutt Road corridor began in July 2023. The programme of work across three sites included the installation of catching fencing and anchors, as well as laying erosion control matting and applying anchored shotcrete to reinforce the slope.

All parties worked during an intensive period of work to complete the project on time – 65,000 hours of work was recorded during the main programme. The bulk of the work took place between March and May 2024. Many teams were

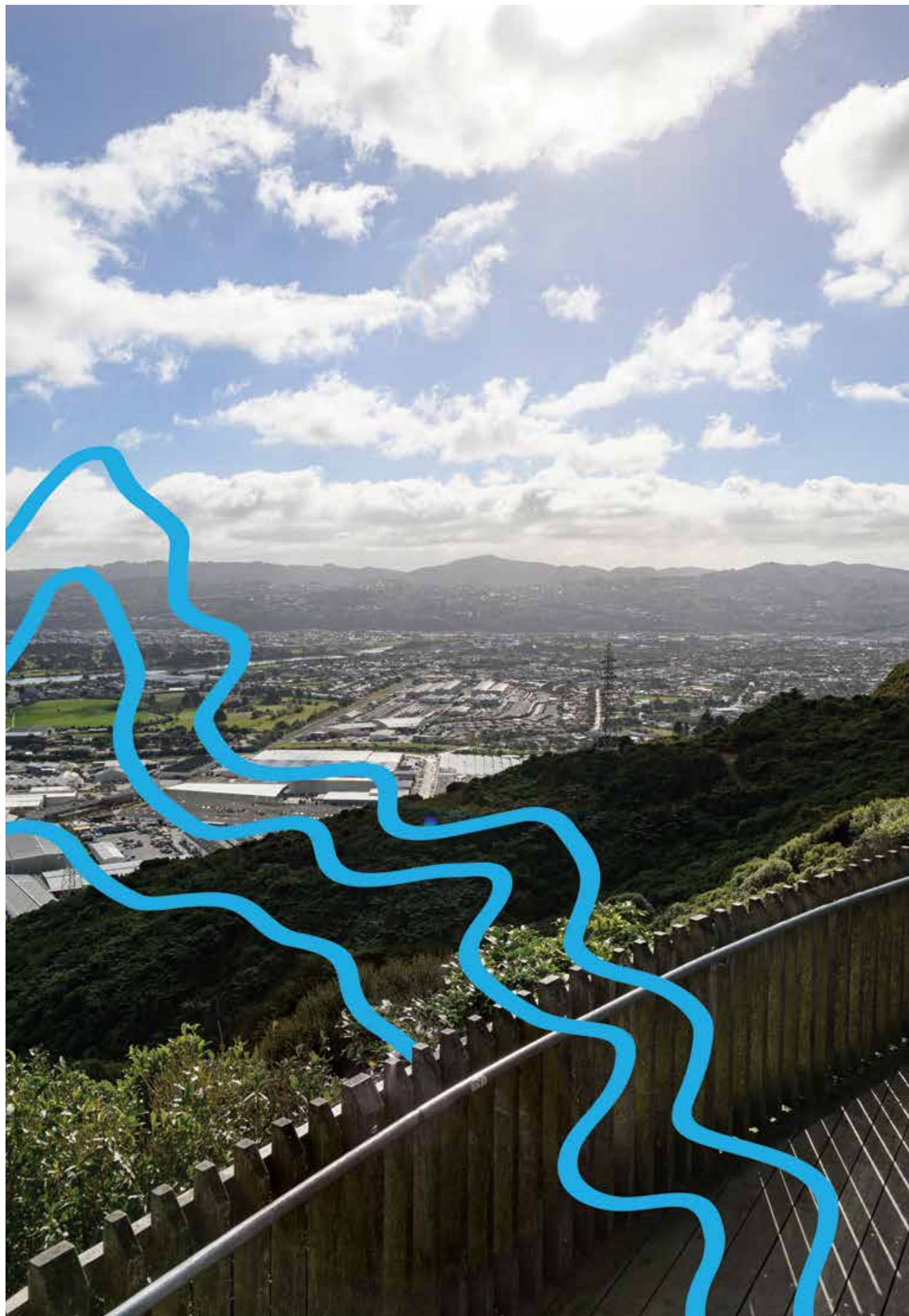
involved in this huge project which included engineers, geotech specialists, abseiling specialists, crane operators, traffic management, and many more.

The Eastern Hutt Road was fully reopened in March 2024, marking the completion of this part of the stabilisation project. The work carried out so far provides ongoing resilience to the area and future-proofing against future slips. This crucial transport corridor is more resilient as a result of this project.

By numbers:

- More than 1,500 metres were drilled into the slip face, allowing for the installation of 532 anchors in total to stabilise the area.
- 26 truckloads of shotcrete were installed over an area of 260m³
- 1,950m³ of erosion control matting were installed
- 68.5m of 3m-high catch fence were installed beside the road

Weather-related challenges are not going away and we are dedicated to providing a more resilient city. Investing and enhancing our infrastructure resilience is a core priority.



Hei āhuru mōwai mō te katoa

Increasing our housing supply

The Council is committed to proactively planning for the city's growth, increasing the housing supply, and working with organisations to ensure every resident has a warm, safe, and dry home. We also work closely with UPL to expand housing options on offer to our residents.



We were able to move forward with housing intensification

In August 2023 Hutt City Council voted unanimously for government-mandated changes to allow higher and denser housing, particularly around transport hubs.

Following a public hearing earlier in 2023, an independent panel delivered recommended decisions to Hutt City Council for Plan Change 56, enabling intensification in residential and commercial areas.

The changes mean that as a city we can adapt to a growing population and develop and build good-quality housing that we need for our communities.



We released a draft of our District Plan in late 2023

The District Plan is our rulebook for land use and development across the city, and this is the first top-to-bottom review since 2004. Public feedback on the draft is being incorporated into a proposed plan for a future consultation.



We were part of the new Hutt Central Regeneration City Steering Group

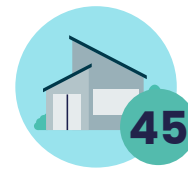
A new steering group was established, with the aim of facilitating favourable housing outcomes within Lower Hutt. Its purpose was to provide a unified approach among central and local government bodies, as well as key partners. Representatives on the steering group include those from Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD), Kāinga Ora – Homes and Communities, Mana Whenua, Waka Kotahi New Zealand Transport Agency, Wellington Water, Health New Zealand Te Whatu Ora, Ministry of Education Te Tāhuhu o te Mātauranga, Greater Wellington Regional Council (GWRC), Wellington Regional Leadership Committee (WRLC), and Hutt Valley Chamber of Commerce (HVCC).

Our progress on housing delivery in the Infrastructure Acceleration Fund (IAF) area, central city, and valley floor has been noted at the steering group's discussions. Through our IAF housing outcomes agreement with the Crown, Council must facilitate the delivery of 3,520 additional dwellings in the valley floor by the end of 2035. Our progress of 654 dwellings in less than two years means that we are already nearly 20% towards the target.



We issued building consents for 537 new homes over the past year

Our city continues to change, with higher-density housing and more complex multi-unit developments being built. This will produce more housing and increased options for our residents, which is positive for the community. Higher-density consent applications are complicated and require more time, input, and expertise which has made for a busy year for the consenting team.



We noted 45 apprentices worked on Urban Plus housing projects

Our housing CCO Urban Plus Limited (UPL), the social housing development arm of Hutt City Council, has overseen the completion of housing projects across the city. This boosts the city's housing stock and apprenticeship opportunities are also created. In May 2024 it was announced that 45 apprentices were working on UPL projects whom are undertaking apprenticeships in a range of occupations including electricians, plumbers, builders, painters, and plasterers. Apprentices are sourced to work on projects through a variety of ways including an established relationship with Petone-based tertiary institution WelTec.

Dashboard



**537 new homes
issued with a
building consent**



**45 apprentices
worked on UPL
housing projects**



**5 new accessible
units were added
to the UPL portfolio**

Case study



Urban Plus Ltd (UPL) adds five accessible units to its portfolio

At Hutt City Council we aim to deliver good-quality housing through UPL.

Through UPL more inclusive options are delivered for our community. We were pleased to have five accessible design units in Petone completed on time and under budget in June 2024.

The high-quality units at 17 Britannia Street are all part of a carefully considered infill project that is situated at the rear of an existing apartment block. UPL has built these units to NZGBC Homestar 6 Design & Built accreditation standards as well as 5-Star Lifemark Standards. The Homestar rating ensures a healthier, warmer, drier, and more comfortable home that uses less power and water than a similar home built to the minimum standard of the New Zealand Building Code.

All units were tenanted on completion and are all specifically designed to meet the requirements of wheelchair users. Each unit has level entry doorways, wheelchair access under the kitchen benches and bathrooms, which also have fold-down shower seats and grab rails.

This development is a good start in terms of adding new accessibility options for our community. UPL aims to continue its growth as well as provide and deliver these housing options to other like-minded organisations such as community housing providers.

Tiaki taiao

Caring for and protecting our environment

Working with our communities to meet the challenges of a changing climate and our goal to become carbon zero by 2050.



We kicked off Mouri Tupu: Planting for the Future

Mouri Tupu is a community campaign to plant 114,000 native trees and plants across Lower Hutt and inspire citizens to pick up a spade and join in with the initiative.

The Mayor has set a goal to plant one native tree or plant for every citizen of Te Awa Kairangi ki Tai Lower Hutt.

Council, along with community organisations, have planted 33,112 plants at the end of this financial year.

The campaign was launched with a planting event at East Harbour Kindergarten in April. We formed a partnership with Mitre 10 Wellington who supplied gardening gloves, trowels, gift cards, and BBQ supplies for our planting events and giveaways.

During the planting season in July, we gave 10,000 plants to community organisations to plant in places like Waiwhetū Stream and Petone Beach. We also planted another 10,000 in reserves and sports grounds in Moera, Kōraunui/Stokes Valley, and Wainuiomata, and were joined by Arakura Primary School students at Arakura Park.

Mouri Tupu is one way we are delivering on our Indigenous Biodiversity Strategy, in particular the goals of protecting and restoring indigenous species and their habitats and connecting our community with nature.



We invited the community to nominate significant trees deserving protection

As part of the District Plan review, we asked residents to identify special trees in their neighbourhood to be assessed for protection with the landowner's agreement. An arborist is assessing trees to add to the 140 significant trees already on record that make a distinctive contribution to a community's identity or history.



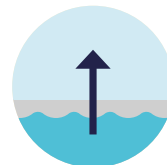
We diverted waste from city events as part of our waste minimisation programme

From July 2023 to June 2024, out of 10,605kg of waste generated from five events across our city, 8,586.80kg was successfully diverted through composting or recycling. This was achieved with the assistance of external waste management providers, including Nonstop Solutions and Closed Loop.



We introduced a new voucher for the Silverstream landfill transfer station

We encouraged people visiting the landfill transfer station to separate their load out and receive a discount on recyclable or reusable items weighing over 20kg. In June 2024, the first month of use, 450 people took up the offer and diverted 27 tonnes from going to landfill.



Other highlights

- We refreshed the Too Good to Waste website by adding more recycling tips and tricks, collection calendars, free resources, and activities just for tamariki.
- We continued our education campaign on kerbside recycling contamination.
- We increased the emergency stored water capacity in the city to 130,600L through the sale of 200L water tanks at our neighbourhood hubs.
- We designed a Waste Minimisation Plan to help identify likely waste and how it can be reduced, with the goal of less waste going to landfill.

Dashboard



69 electric vehicle charging points across the city



5,134 tonnes of recycling collected



22,543 tonnes of kerbside waste collected and taken to landfill



5 organisations supported through the Low Carbon Acceleration Fund

Case study



We green-lit the new Low Carbon Acceleration Fund

The Low Carbon Acceleration Fund offers up to 50% co-funding for eligible projects that will reduce carbon emissions in Te Awa Kairangi ki Tai Lower Hutt, as we progress towards a 50% emissions reduction by 2030, and the city becoming net zero by 2050.

In May 2024 five organisations with a keen eye for reducing their emissions were given the green light on their reduction initiatives. The Low Carbon Acceleration Fund was available to any eligible legal entity such as a business, charity, incorporated society, or trust, provided that the project is being implemented in Te Awa Kairangi ki Tai Lower Hutt.

In the first round, \$160,000 was available, with a maximum of \$40,000 for each applicant. This is the first round of a new fund established by Council to help deliver on its climate change commitments and support our city to decarbonise. This round was open between 15 February and 14 March 2024.

The five successful applicants were Y Central, Wesley Rātā Village Naenae, He Puāwai Trust, Rudolf Steiner School Trust and Youth Inspire.

At Council we are proud to support organisations like these who are clearly aware of their carbon footprint and want to really engage with emissions reduction in a meaningful way.

Funding organisations in such a way enables positive change for both the climate and the community.

The fund is set to run every year and the community is encouraged to look out for future rounds in 2025 and beyond.

Hutt City Council earns carbon credits under the Emissions Trading Scheme for forests in some of its reserves. The units can be sold, and the revenue can be used to invest in carbon reduction opportunities. To ensure that the Low Carbon Acceleration Fund is cost neutral to Council, the financial envelope of the Low Carbon Acceleration Fund for each round is based on the number of credits earned in the previous year.

Taunaki ōhanga auaha, tāone whakapoapoa

Supporting an innovative, agile economy and attractive city

Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi ki Tai Lower Hutt to make our city an attractive place to work and invest.



We supported local businesses to connect, collaborate, and innovate

During the year we supported several events that champion local industry and business opportunities, including ones run by Love Wainuiomata and Hutt Valley Chamber of Commerce.

We also co-funded a Future of Hutt Valley Business project. The project looked at a 10-year business vision for the Hutt Valley and actions that Council, the business community, and agencies can take together to achieve it. Council also supported the creation of 10 vibrant community events, each celebrating the spirit of Matariki Puanga.



We had 5.3 million unique users see our digital tourism promotions

We grew our audience by 40%, reaching a combined 5.3 million unique users through the promotion of local businesses and experiences on our HuttValleyNZ social media channels and digital advertising, helping to showcase local businesses and their products and services.



We won the 2023 Local Government Website of the Year award

We came out on top following an annual audit by the Association of Local Government Information Management (ALGIM) of websites from 78 councils (11 regional councils and 67 territorial authorities) across the country and two council-controlled organisations.

Websites are assessed and rated based on accessibility, content quality assurance, searchability, performance, response time, and availability.

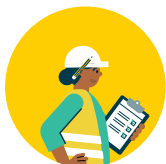
Dashboard



**5.3 million unique users –
digital tourism promotion**



**10 community events through
the Matariki Event Fund**



We appointed an independent panel to assist with our representation review

We've been reviewing how our communities are represented locally. This is called a representation review, and under the law we're required to do this at least once every six years.

In July 2023 we appointed an independent panel to engage with communities of interest in the city to review representation arrangements to ensure that communities are fairly and effectively represented by Council. The independent panel undertook a broad engagement and, using this, made recommendations to Council about how our community could be best represented by Council.



We decided to establish a Māori ward

On 21 November 2023, Council resolved, in accordance with the Local Electoral Act 2001, that at least one Māori ward is to be established for the 2025 elections. This decision is not appealable to the Local Government Commission. This meant that the representation review needs to determine how many Māori wards there will be, the number of members for these wards, the ward boundaries, and the ward names.



We worked with Wellington Water to reinstall the region's biggest sculpture

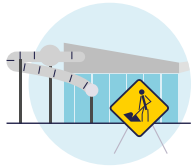
After a temporary absence of about 16 months, the iconic Lightwing sculpture by Andrew Thomas was reinstalled at the Seaview roundabout in September 2023 by Wellington Water on behalf of Hutt City Council.

The sculpture was part of the main wastewater pipe replacement for Barber Grove to Seaview. It was dismantled and moved to enable the duplication of a new wastewater pipeline. The region's biggest sculpture is a graceful steel artwork originally built and installed by local firms in 2018.

Tūhono hāpori

Connecting communities

We're investing to connect neighbourhoods and communities so they can thrive and remain safe, connected, healthy, inclusive, and resilient. Here are some of our key community achievements over the past year.



We celebrated the progress of Te Ngaengae Pool + Fitness construction

Over the course of the year, we completed the structural frame and roof, enclosed the frame with wall panels and blockwork, and installed mechanical and electrical equipment. Additionally, the main pool tanks have been installed and lined. A moveable pool floor will enable us to operate one end of variable depths, and our two bulkheads can create different zones for multiple activities. We've also installed two zoom tubes with an access tower.

The project is on schedule to open later in 2024, on budget, and with a target of five Green Star rating. 80% of surplus construction waste that would normally go to fill has been recycled.

Making swimming facilities more accessible has been a priority. When Te Ngaengae Pool opens in the next financial year it will also mark the start of free pool entry for under 10s when accompanied by an adult with a Community Services Card.

New designs for the Walter Mildenhall Park were also released, designed in collaboration with the Whakatapu Ngaengae Community Advisory Group and wider community. The park is situated by the new pool and is an important part of the wider project enhancing the surrounding urban environment. There was support for activities such as play spaces, BBQ areas, picnic spots, wheeled activities, gardens, and artistic displays.



We finalised Te Herenga Kairangi, our Māori strategy

Following consultation with Mana Whenua and Hāpori Māori (Māori communities), we approved Te Herenga Kairangi. This strategy aspires to bring together all our work that has both direct or broader outcomes for Māori. Te Herenga Kairangi – meaning “interwoven ambition to thrive” – expands on our commitment to partnership under Te Tiriti o Waitangi.

Te Herenga Kairangi brings together principles, outcomes, and actions to focus on. We are committed to working together on shared goals to improve the wellbeing of Whānau, anchored in connection between people, place, and environment.

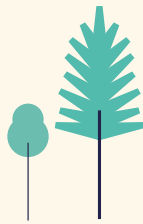


We confirmed plans for the new Moerā Neighbourhood Hub

In May 2024 we were pleased to announce that locally owned and operated Niche Modular Construction Ltd had been awarded the contract to build the new Moerā Neighbourhood Hub.

Located on the existing Moerā Library site, the hub will provide a vibrant community space for our community to connect, learn, and play. The facility is set to be a sustainable, relocatable, purpose-built community building, featuring an open plan space with access to vital library services.

Dashboard



**281 reserves
totalling 2,918ha**



**694,128 visits
to pools**



**2,081,503 visits to
neighbourhood hubs
and libraries**



**159,412 visits
to museums**



**204,409 digital
library loans**



**724,981 physical
library loans**



**55 playgrounds
(5 had safety
upgrades)**



We approved a Rangatahi Action Plan

Rangatahi / young people have a big role to play in making our city better. We are committed to engaging rangatahi in Council matters, to make sure that their voice informs decision-making. In particular, our focus is on the period between childhood and adult age 12-24 years old.

Signed off in April 2024, the new Rangatahi Action Plan shows our commitment to educating and engaging with young people, setting clear goals and actions. The actions will enable rangatahi to share their ideas and opinions more easily, so they can better influence what happens in Te Awa Kairangi ki Tai Lower Hutt.



We ran our annual resident satisfaction Survey 2023-24

The resident satisfaction survey is an annual survey undertaken by our research and evaluation team. The survey asks a sample of Lower Hutt residents about their engagement and satisfaction with the Council's provision and delivery of services and Council-maintained facilities and spaces. It is a snapshot of residents' perceptions at one point in time. The survey was conducted from 12 February to 15 March 2024, with 1,912 valid responses received. The information is useful in Council's future planning and priority setting.



We managed the long- standing summer reading challenge

Alongside Upper Hutt City Council, we ran our long-standing summer reading challenge designed to support young readers. The programme encourages literacy and a love of reading among our community.

Across all age groups covering The Little Read, The Big Read, and The Even Bigger Read, 1,092 entries were submitted, with 3,759 books read and 4,873 activities completed, across our Hutt City libraries.

The challenge has been running in Lower Hutt for over 10 years and has been popular for families to engage with during the summer break. In addition, more than 104 tamariki took part in a special lego launch event at the start of the initiative – The Big Build – at seven of our Hutt City neighbourhood hubs.

Connecting communities continued

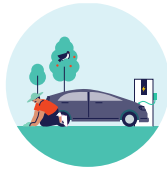


We worked on our 10 Year Plan 2024-2034 – Taking the next steps

The 10 Year Plan, also known as the Long Term Plan, is council's key strategic document. It sets out our priorities for the next 10 years, including what we will do, how much it will cost, and how we will fund it. It's reviewed every three years to make sure it is still relevant and accurate.

The last year saw us work on preparing all the information and documentation for our 10 Year Plan.

This project had one of our most successful community engagements of this type to date, with more than 1,700 people taking the time to provide a submission. We had more than 100 people speak in our Council Chambers for the hearings. The final 10 Year Plan was signed off in June 2024.



We ran many road safety initiatives across our city

We ran two Road Code courses for people whose first language is not English. Reaching 31 people who were supported to get a driver's license and enhancing their confidence in driving our local roads. We supported Free Ride with 227 bike fix-ups. Creating better access and awareness of cycling.

We also ran bike fix-ups with 11 other schools across our community, enabling 368 kids to have safe bikes and scooters. In addition, we continued to run Road Patrol training with schools. This year we reached 44 schools and 905 tamariki. Improving road safety confidence and leadership and encouraging our kids to share the road safety message with the whānau and community.

12 driver licensing courses were also held for rangatahi with Youth Inspire. 179 people earned their learner's licenses, and several also passed their restricted licenses through Youth Inspire, enhancing their independence and confidence, through road safety and responsible driving education.



Other highlights

- We celebrated the 50th anniversary of Eastbourne Library at Eastbourne Neighbourhood Hub on 20 March 2024, with staff and the community present.
- We created a one-stop digital shop where people can find out about events and programmes happening across Council spaces.
- We made postal services available from the Petone Neighbourhood Hub, filling a gap for a much-needed community service.
- We ran 12 car seat clinics from our neighbourhood hubs, ensuring more than 100 people have correctly fitted seats for their tamariki by reducing installation errors and creating long-term safety benefits through education.



Q Case study

Te Mako Naenae Community Centre opens

We celebrated the opening of Te Mako, the new Naenae Community Centre, on 29 June 2024. This marked a key milestone in the Whakatupu Ngaengae project to reinvigorate the town centre.

Te Mako will become a key place for the community to work, play, learn, and belong. It's the first of three major projects being developed to revitalise Naenae.

The construction of Te Ngaengae Pool + Fitness Centre is progressing smoothly and is set to open later in 2024. Once completed, attention will shift to remodelling Walter Mildenhall Park. These projects represent a transformation for Naenae, promising to rejuvenate the area and enhance its recreational and community facilities.

Council has partnered with TEAM Naenae Trust who will run the facility for the community.

The building, with its distinctive clock tower, opened in 1959 and has been earthquake strengthened and remodelled for its new use as a community centre.

It features the recreation of a mural designed by artist Guy Ngan for the original Hillary Court Post Office, as well as carved timber pieces of local artist Tiaki Dahm (Te Āti Awa) and tukutuku inspired metal panels by Kereama Taepa (Te Āti Awa and Te Arawa).

The community has already started to embrace this new facility which includes a community kitchen, flexible open-plan spaces, and shared office-style meeting rooms.

Te Mako was designed in consultation with community and will be a place where people can gather, connect, access services, and take part in programmes and events.

Whakauka ahumoni

Financial sustainability

We're investing in a financially sustainable and prudent way that ensures we are carefully managing our finances to deliver on our community's expectations.

Being accountable to residents and ratepayers for the management of our finances, both in the short term and the long term, is a key responsibility of Council. This section aims to provide a brief overview to help you understand our finances. In particular, it shows where we have spent the money that we have received and how we have invested for the future of our city.

Our Financial Strategy

Council's Financial Strategy is based on important principles that provide the foundation for prudent sustainable financial management. These principles can be summarised as:

- Affordability of rates
- Maintaining prudent borrowing levels
- Achieving a balanced operating budget and ensuring that everyday costs are paid for from everyday income
- Delivering services effectively and efficiently
- Strengthening council's financial position in the long term.

The Financial Strategy focuses on strong fiscal management while addressing growing demands for increased capital investment in core infrastructure assets. The Financial Strategy can be read in full in the Long Term Plan 2024–34, available on our website. It sets limits on the amount of debt we can take on compared to revenue (the net debt to revenue ratio). It also forecasts net debt (the money we owe lenders, less cash), and when we will balance the budget. The council budgets are balanced when everyday revenue pays for everyday expenses.

Investment in infrastructure

Te Awa Kairangi ki Tai Lower Hutt is projected to continue growing, demanding robust infrastructure to support this expansion. Our transport and water services network, libraries, and playgrounds are all crucial to this development. Additionally, many of our three waters network assets are ageing and require replacement. By striking the right balance in our investments, we aim to ensure sustainable growth and enhance the quality of life for our residents.

This year, we have made progress in improving the transport network, expanding and future-proofing our water services system, and protecting and

restoring parks and reserves. We also made progress in renewing Council facilities for residents to enjoy. In 2023–24, Council's total capital investment was \$175 million, compared to a budget of \$226 million in the Annual Plan. Including investments by UPL, the total capital investment was \$177 million, an increase from \$157 million in 2022–23. This \$20 million increase reflects a continued ramp-up in our capital investment program to meet the objectives of the 10 Year Plan (see Graph 1).

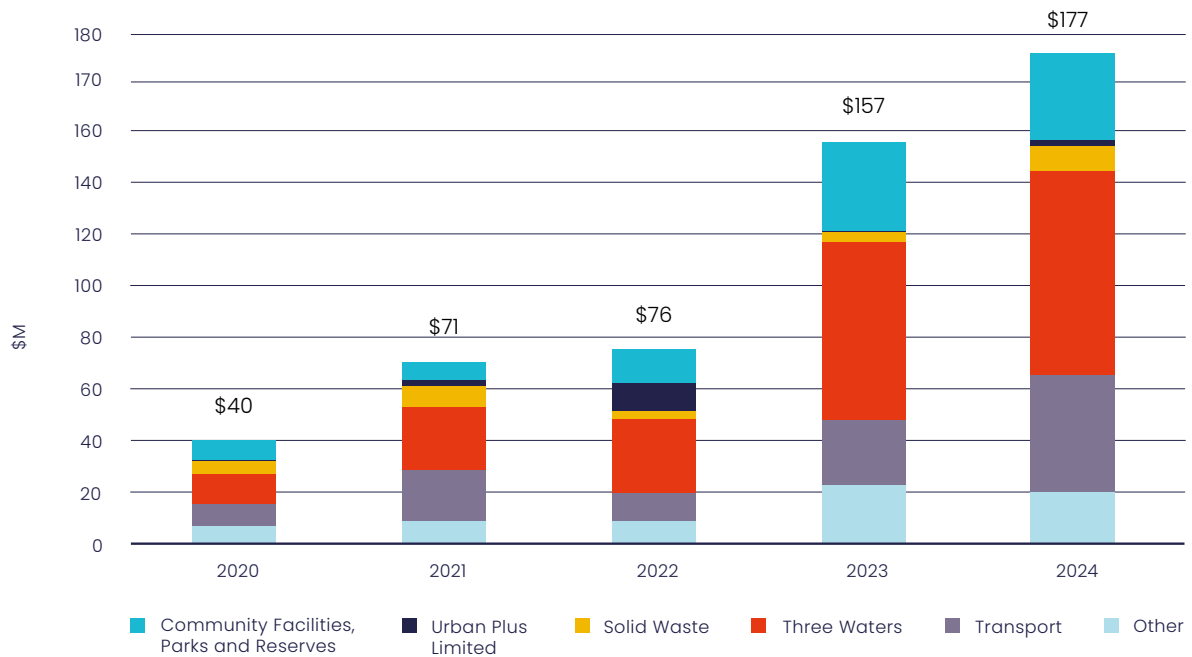
Some of our key highlights and spend for the year were:

- \$74 million on three waters infrastructure against a budget of \$77 million. This includes \$61 million for a range of renewal projects.
- \$22 million on the new Naenae Pool and Fitness Centre which is a continuation of work on a significant community facility.
- \$42 million on transport projects includes \$9 million for transport renewals and \$33 million for capital improvement and growth projects. These will enhance connectivity and promote sustainable transport options, with projects such as the Tupua Horo Nuku (Eastern Bays shared path), Eastern Hutt Road resilience, and the Micromobility programme.
- \$12 million on RiverLink which is progressing with our partners.
- \$9 million for design and construction of the next phase of the Silverstream landfill.
- \$6 million on parks and reserves projects includes the new cemetery development in Akatarawa Road, reserve development projects, playgrounds, and various park building renewals.
- \$3.8 million on Naenae town centre improvements which is an investment in the development of an important community hub.

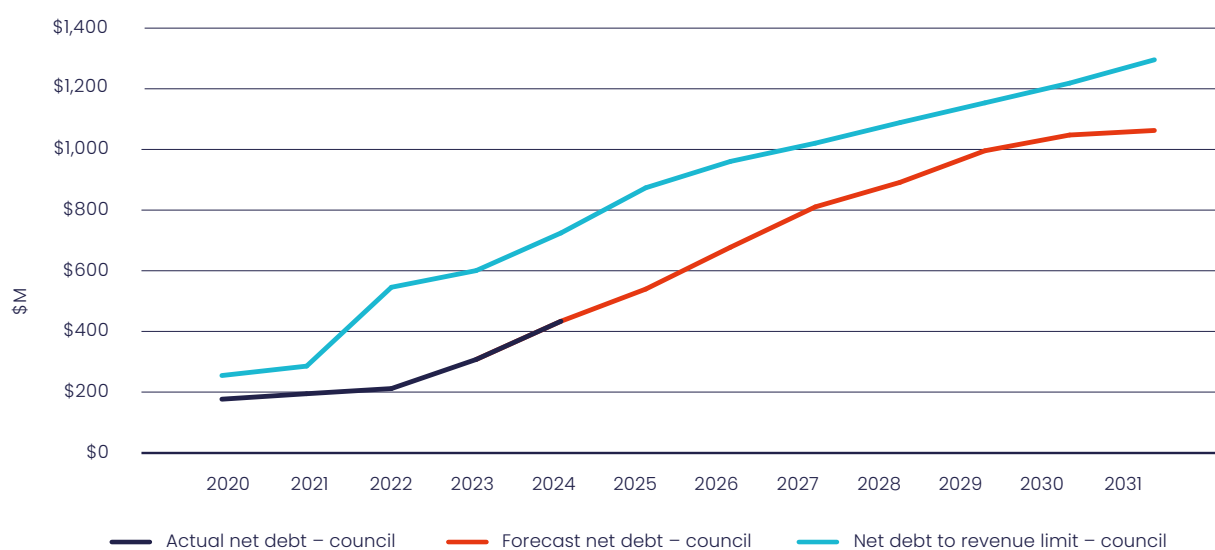
* Refer to the activity statements under Section 2 of this report for detailed spend and budgets for these projects.

Our investment plans have faced challenges due to the timing of decisions around the changing government priorities. Key areas of underspend in 2023–24* mainly relate to the slow-down of a range of transport projects. We are also progressing decisions around Te Wai Takamori o Te Awa Kairangi (RiverLink) with our Alliance partners.

Graph 1: Group capital investment five-year trend



Graph 2: Council net debt



Prudent debt management

We strategically use debt to finance long-term capital investments, spreading the cost across the generations that will benefit from these assets. Our borrowing is guided by a strict limit, maintaining a net debt to revenue ratio of 250%. This ensures that our debt remains manageable and affordable.

In 2023-24, Council's net debt increased by \$126 million, reaching \$433 million (refer to Graph 2), which is 152% of our revenue. This increase is higher than our planned net debt of \$391 million in the Annual Plan, mainly due to capital delivery being higher than the assumed 75% level, together with timing and cashflow differences across a range of areas such as subsidies and grants not received in line with the plan. Over the next five years, we anticipate our net debt to revenue ratio will rise to a peak of approximately 216% as we significantly invest in essential infrastructure, including water services.

Credit rating

In August 2024, Standard and Poor's Credit Rating Agency (S&P) lowered Hutt City Council's long term credit rating one notch from AA to AA-, with the rating outlook maintained at a 'negative' outlook. This follows similar credit rating downgrades for other councils across New Zealand. The S&P report outlined challenges faced by councils, which included limited revenue streams, high infrastructure responsibilities, and increasing debt levels. The downgrade in our credit rating will increase our cost of borrowings going forward.

Revenue

We fund our services and operations through a mix of rates and non-rates revenue. Like all councils, we rely heavily on rates as a primary income stream (see Graph 3). For the 2023-24 fiscal year, total group revenue was \$292 million (excluding revenue from the revaluation of financial instruments) and is trending upwards (see Graph 4). Rates revenue, amounting to \$156 million, represents just over half of our total revenue at the group level. This reflects a \$16.2 million increase from the previous year, following the rates revenue increase approved by Council to fund our services.

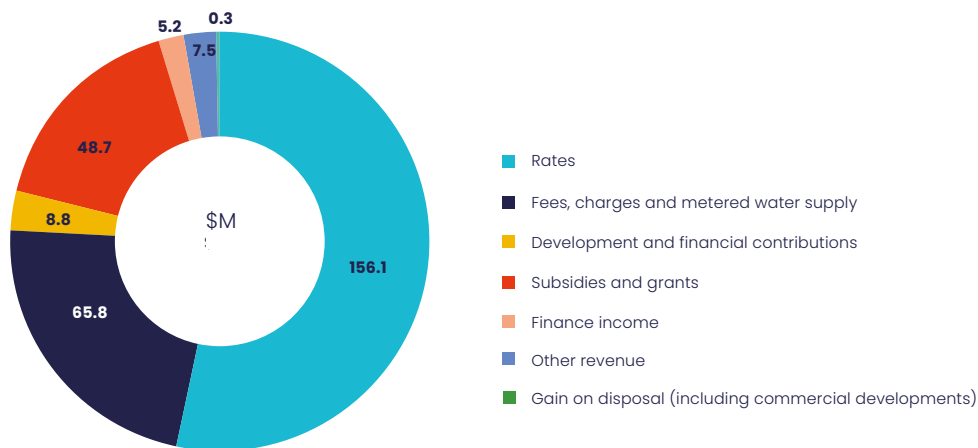
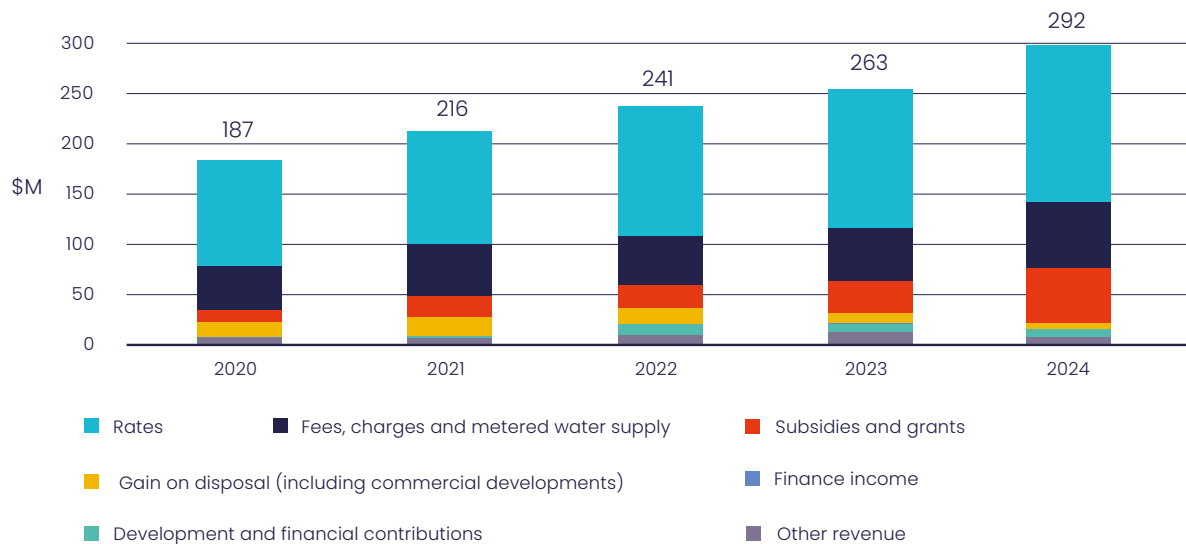
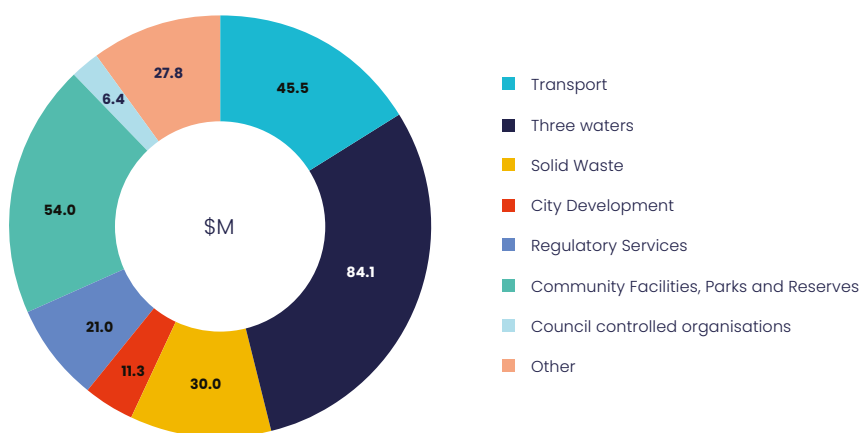
Subsidy and grant revenue was \$25.1 million lower than budgeted. This shortfall is primarily due to timing differences in the achievement of the Council's capital programme, resulting in decreased subsidy and grant revenue. Fees and charges recovery was higher than budget by \$1.7 million due to fee changes implemented through the Annual Plan 2023-24 across a range of activity areas with activity volumes being higher than anticipated.

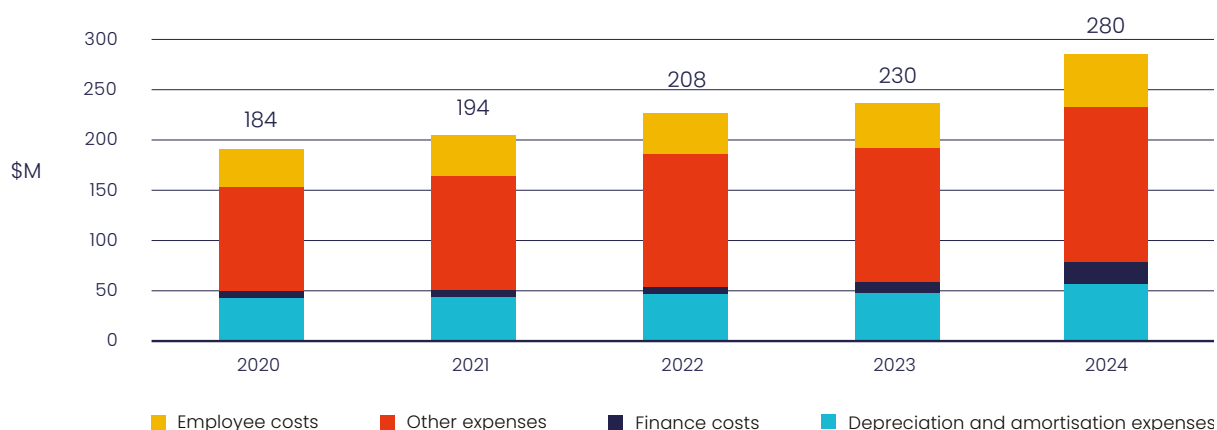
Expenditure

Our operating expenditure covers the costs of delivering our day-to-day services, including paying our staff, maintaining our assets, and providing a wide range of community services and support. For 2023-24, total group costs were \$280 million (excluding losses on revaluation of financial instruments). Graphs 5 and 6 illustrate how spending is distributed across different services and the spending trend over the past five years.

Council's operating costs exceeded the budget by \$5.8 million. This overspend is primarily due to:

- Higher resourcing and compliance costs to process consent applications and maintain our International Accreditation New Zealand accreditation.
- Roading repairs and maintenance costs were higher due to contract renewals with a number of contracts being re-tendered.
- Higher cost of interest which is partially offset by interest income.

Graph 3: Group revenue by source in 2023–24**Graph 4: Group five-year revenue trend (excluding gains on the revaluation of financial instruments)****Graph 5: Group expenditure by activity in 2023–24**

Graph 6: Group five-year expenditure trend (excluding losses on revaluation of financial instruments)

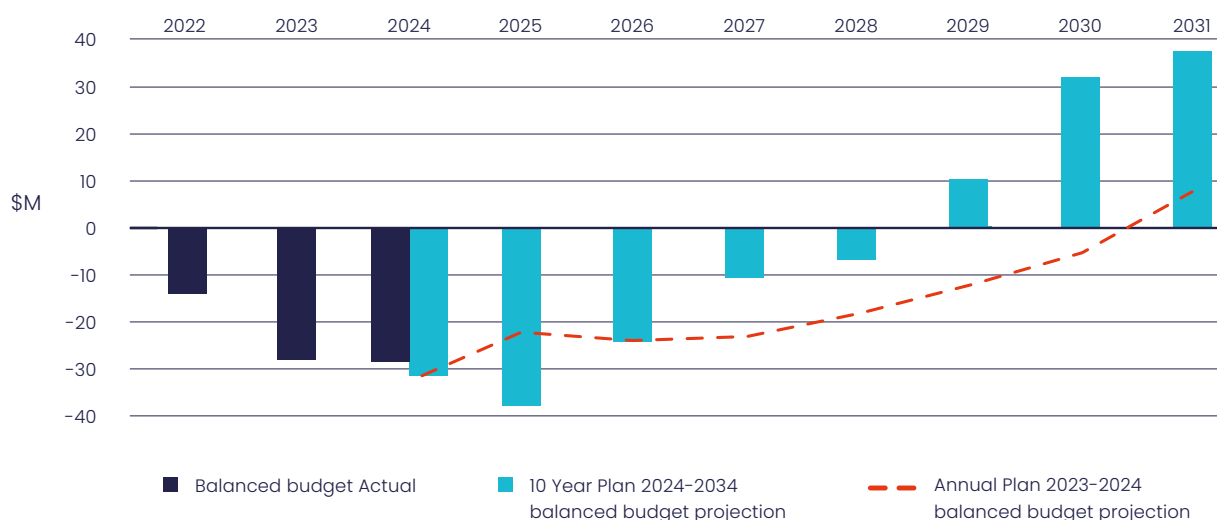
Balanced operating budget

An important part of our Financial Strategy is maintaining a balanced operating budget. This means that our everyday costs are covered by our everyday income, ensuring that operating expenses are paid for by operating revenue. We want to avoid taking on debt to cover everyday expenses, and reserve borrowings for infrastructure investments instead.

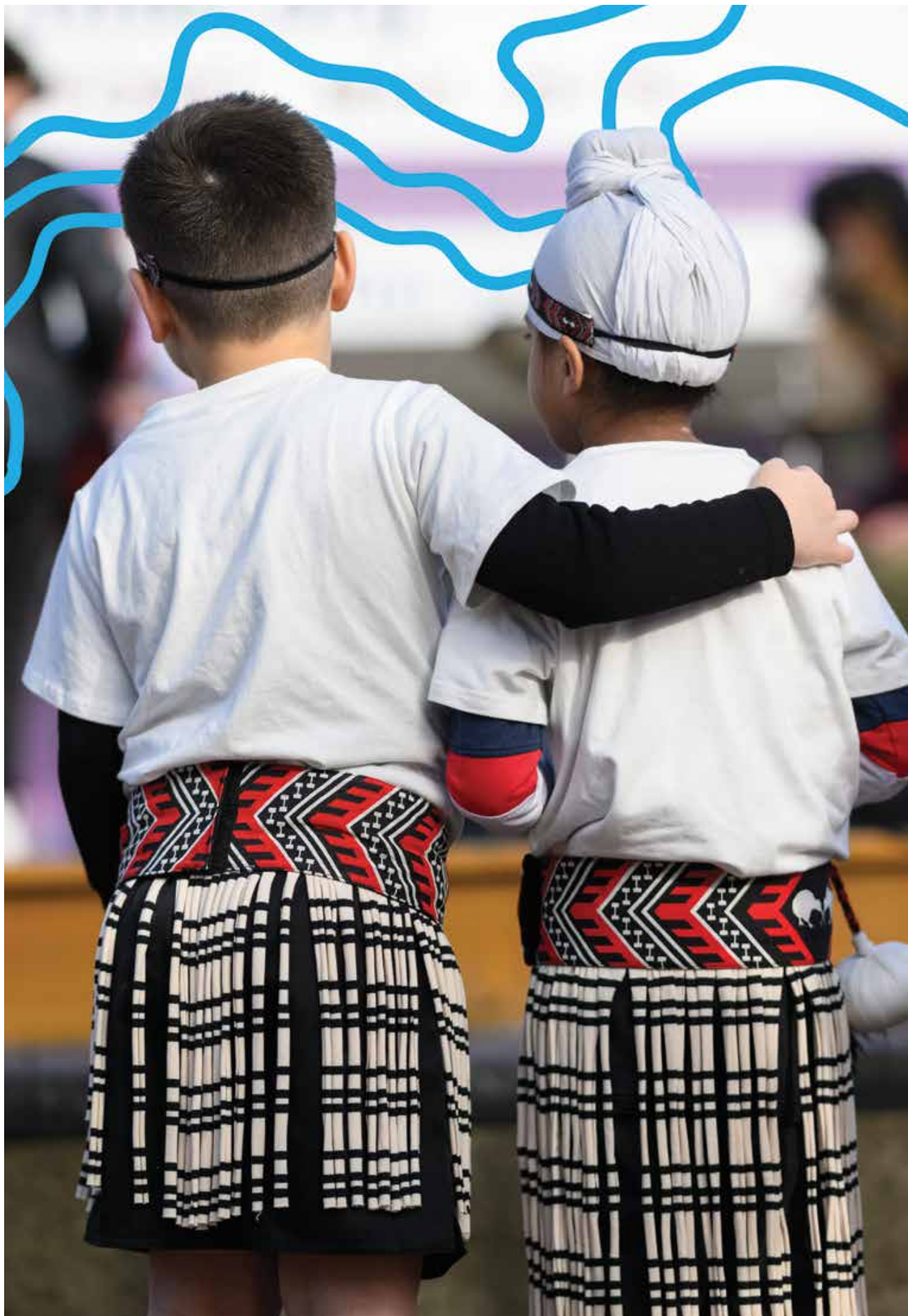
Our 10 Year Plan outlines our method for assessing whether we achieve a balanced operating budget, which has been reviewed and updated through the Long Term Plan 2024-34. Achieving a balanced operating budget is essential for the long-term

sustainability of Council services, but it must be balanced against the significant capital investment requirements. To ensure affordability for ratepayers, Council has agreed to gradually move towards a balanced operating budget over several years. According to the latest Long Term Plan 2024-34, we are forecasting to achieve a balanced operating budget by 2028-29.

In the 2023-24 fiscal year, our balanced operating budget result (or net underlying operating result) was a deficit of \$28.6 million, which was \$3 million better than the budgeted deficit of \$31.6 million. Graph 7 illustrates the actual trend to date and the future forecast.

Graph 7: Council actual and projected balanced budget outlook

*Council meets the legislative balanced budget requirement as defined in s100 of the Local Government Act 2002. The legislative calculation includes capital grants and subsidies which can only be applied to capital projects and cannot be used to fund everyday operational costs over the period. As Council receives significant capital grants and subsidies, the legislative calculation makes it appear that there is more income available to meet everyday operational costs than there actually is. Therefore, we have excluded capital improvement subsidies and capital grants from the graph to only show the projected operating balanced budget for everyday operational income and costs.



Ki hea tohaina ai hāku rēti?

Where will my rates be spent?

Two factors are central to our planning:

- 1** Ensuring our long-term financial sustainability, and
- 2** Carefully considering rates charges that are as affordable as possible for our community.

Here is where your rates will be spent over the next 10 years:

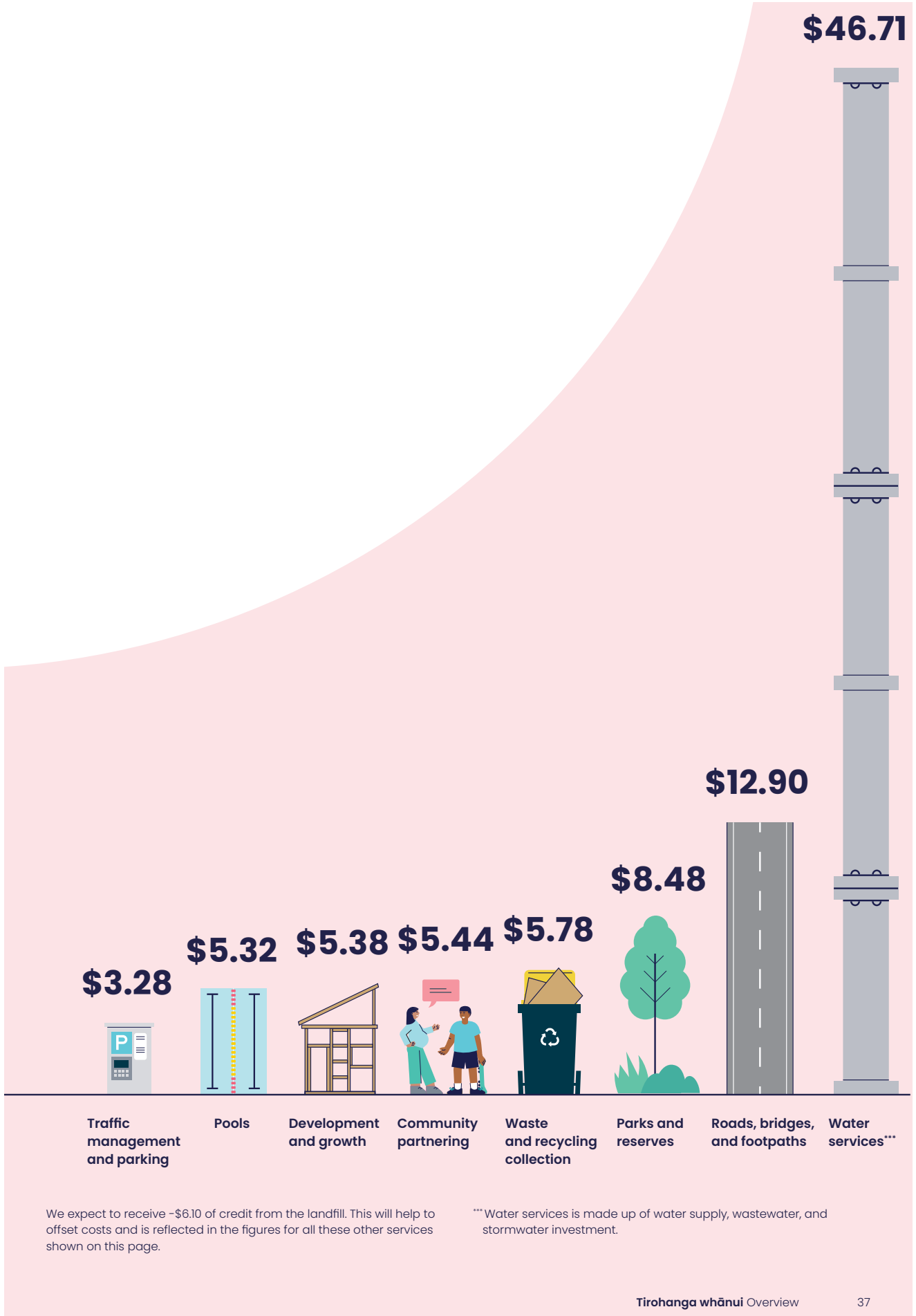
For every \$100 you spend in rates, we plan to spend*



* The average costs over the ten-year period of the Long term Plan 2024-2034 is presented here.

** Sustainability engagement represents spending on community activities, along with facilitation of projects across council activities, including investment in:

- decarbonisation of council facilities
- cycleways
- RiverLink
- healthy urban waterways.



Tātaritanga

Our performance

2



Ngā whakataua me ngā whakapae o te kawe ratonga

Service performance judgements and assumptions

PBE FRS 48 Service Performance Reporting standard Introduction

Council is responsible for democratic and effective decision making in Te Awa Kairangi ki Tai Lower Hutt. Council is also bound by the Local Government Act 2002 to promote the social, economic, environmental, and cultural wellbeing of the city's current and future communities.

You can find more information on page 10-15 in this Annual Report.

How Council selects performance measures

In the Council's 10-year plan, significant steps have been taken to evaluate their performance in various ways. This evaluation involves summarising overall performance, assessing the effectiveness of different activities, and providing yearly reports.

One major decision for the Council is ensuring that the goals set for our services align with the criteria used to gauge our performance. Council closely examines how these goals and measurements align to ensure that the selected measurements truly reflect the quality of services within the community.

Council don't make these decisions in isolation. They seek input and feedback from people in our community, including residents, those who pay local rates, local boards, and other communities. They consider this input about our services and how to measure their quality. This feedback is collected during the Long-Term Plan, Annual Plan consultation process and through annual Resident Satisfaction Surveys.

The Local Government Act (2002) prescribes specific rules that require standard measurements for different types of activities. This allows people to compare services across Council. Council also takes advice from the Department of Internal Affairs (DIA) on how to measure certain things following specific guidelines, (such as processing a certain percentage of building permits and resource consents within 20 days). These decisions are essential for ensuring that our method of assessing our services aligns with community preferences, our objectives, and the law.

In addition to the selection of performance measurements, Council also makes decisions about how they measure, compile, and present information about the quality of our services. They have a consistent way of reviewing and selecting performance measures. This method looks at why Councils are spending the money they receive now and what they aim to accomplish with it. It helps determine performance measures. They check each measure using certain rules that make sense and show our progress well.

Council have taken steps to guarantee that these performance measures sufficiently contribute to tracking our progress in achieving the objectives outlined in the 10 Year Plan. The Council's Service Performance Indicators are found in the "Our Performance" section.

Resident satisfaction surveys

Council uses surveys to help us understand what customers, local residents, and the community think about their services. They are different from surveys that only ask if people are happy with our specific services. Creating these surveys is a meticulous process. Skilled professionals craft them using the most effective survey methods. Council ensures that the questions are straightforward, avoiding any bias that might influence people's responses. In situations where it's crucial to maintain complete fairness, Council collaborates with impartial organisations to conduct the surveys.

The insights gained from these surveys serve to enhance our procedures and make our services even better in the times ahead. Council takes great care in selecting the individuals to participate in our surveys, aiming for a diverse representation that closely mirrors the community of Te Awa Kairangi ki Tai Lower Hutt. It may make slight adjustments to survey results to ensure accurate reflection of the characteristics of the targeted groups. Additionally, when applicable, they employ advanced statistical techniques to assess the significance of survey findings. In cases where the results exhibit uncertainty due to low response rates, Council is transparent in communicating this to ensure full awareness among their audience.

Council uses a number of expert survey techniques to make sure their surveys are as good as they can be. For example, surveys about their services are done more frequently because they want to keep improving their services.

Surveys seeking general opinions are done once a year to get an overall picture of what people think at that particular time. Council also runs surveys with the general population, like the Quality of Life survey, to find out what people think about life in Te Awa Kairangi ki Tai Lower Hutt.

These surveys see the effectiveness of how services are and how they impact people's lives. These surveys help understand how well services are performing and give an idea on how to make them better. It helps to make good decisions based on real information from the community.

How Council report on performance measures and results

The year-end results for performance measures are reported in annual reports. Results are reported in a table under the heading Key Performance Indicators for each activity area. Comparative results are provided for the prior year to give a comparison at a similar point in time and show trends. Where a standard for a performance measure has not been met, or there is a significant variance, an explanation is included.

External implications for statements about performance

The introduction of the standard brings more rigorous requirements for reporting service performance to enhance accountability and decision making. External factors beyond an entity's control, such as government policy changes, travel restrictions, and economic conditions, can influence service performance results.

In 2010, the Local Government Act 2002 was amended to require the Secretary for Local Government to make rules specifying non-financial performance measures for local authorities to use when reporting to their communities. All councils are required to use a standard set of performance measures across five activity areas – stormwater drainage, sewerage, flood protection, water supply and the provision for footpath and roads – when reporting to their communities.

Hutt City Council utilises non-financial Key Performance Indicators (KPIs) based on the 2021–2031 10 Year Plan, ensuring alignment with Government rules and Council's priorities and expectations for performance improvement. These KPI's measure outcomes directly controllable by the Council.

PBE FRS 48 encourages presentation on clear and meaningful service performance information alongside financial statements, emphasising the application of qualitative characteristics and constraints in reporting. Reporting consistency and the disclosure of significant judgements affecting performance information are critical aspects of the Standard. HCC's impact assessment highlights expected changes and required disclosures due to these new reporting standards.

Disclosure of key judgements for 2023-24

In our previous annual reports, Council not only included disclosures about Key Performance Indicators (KPIs), but they also provided additional information on non-financial matters. This included details about the number of complaints received regarding water supply, wastewater, and stormwater KPIs, which were assessed by external auditors. Council also addresses concerns related to the reliability of the water supply, particularly regarding the percentage of water loss.

The report emphasised the Government's Three Waters Reform programme and discussed uncertainties related to measuring greenhouse gas emissions. Council continues these disclosures and have included other important judgments and recommendations from auditors. This involves sharing information about our reasoning behind selecting specific KPIs, among other relevant matters.

Entities share the important decisions they make when reporting on their performance according to specific rules. Several factors determine when these decisions are shared, including how well the performance information aligns with the entity's goals and strategies, its internal consistency, and the level of freedom the entity possesses in selecting and presenting this information.

Other factors include the influence of certain attributes, such as importance and cost, and how user input affects the reporting. The entity also explains the decisions made when comparing past information or describing various elements and how they select measures and present their performance data.

Statement of compliance

This report of the Hutt City Council has been prepared in accordance with the requirements of the LGA which includes the requirement to comply with New Zealand generally accepted accounting practice (NZ GAAP).

The Hutt City Council service performance report asset out on pages 10-15, 39-122 has been prepared in accordance with the Tier 1 PBE financial reporting standards, which have been applied consistently throughout the period and complies with PBE financial reporting standards.

Whakarāpopoto tātaritanga

Our performance at a glance

47 were achieved

36 did not achieve the targets set

3 measures were not reported, and the baseline year is to be determined

Water Management

The Council aimed for 100% compliance with bacteria standards but fell short due to new regulations affecting the Waterloo Treatment Plant. Protozoal compliance, however, was fully achieved. Complaints about the water supply rose to 31.7 per 1,000 connections, surpassing the target of 20. Resident satisfaction dropped to 57% due to poor communication during water outages. Urgent callout attendance averaged 101 minutes, exceeding the 90-minute target due to aging infrastructure, though urgent issues were resolved within 4.6 hours. Non-urgent callout times were 191 hours, meeting the target by resolving within 16 working days. Data on water consumption and loss is still pending.

In wastewater management, the Council maintained a low rate of dry weather overflows at 1.7 per 1,000 connections, well below the target of 20. Complaints were also low at 24.1 per 1,000 connections. Despite this, resident satisfaction fell to 61% due to odour issues at the Seaview treatment plant. Sewerage overflow response times averaged 159 minutes, and resolution times were 12.4 hours, both exceeding targets due to infrastructure challenges. The Council faced 13 enforcement actions for wastewater consents, exceeding the target of zero.

For stormwater, the Council achieved 100% water quality at recreational beaches and had no flooding events affecting habitable floors. Complaints about stormwater were low at 8.5 per 1,000 connections, but satisfaction remained at 51% due to ongoing concerns about flooding and blocked drains. Flooding events were responded to promptly, with a median response time of zero minutes, and full compliance with stormwater consents was maintained.

Waste Management

The Council maintained full compliance with resource consent regulations and reduced litter complaints to 239. Satisfaction with refuse collection increased to 84%, though issues like early collection times and bin placement affected the 90% target. Recycling services showed mixed results: contamination rates remained high, but recycling amounts slightly increased. Satisfaction with recycling and green waste services improved to 83% and 79%, respectively, but both missed the 90% target.

Sustainability and Resilience

Facility emissions decreased to 2,076 tCO₂-e, a 30% reduction from 2021-22. The electric vehicle fleet grew to 69%, and fossil fuel vehicle emissions are on track for zero by 2031. Community Resilience Plans older than 24 months dropped to 51%, missing the target due to resource limitations and the need for better community engagement.

Regulatory Services

Building consent and code compliance processing times fell short of targets due to high demand and resource constraints. Non-notified resource consents improved to 77% within statutory timeframes. Food premises verification reached 98%, and inspections for high-risk liquor premises and noise complaints were effectively managed. Animal control saw a significant rise in community education programs.

Transport

The Council faced challenges in improving travel times on key routes due to limited resources for necessary measurements. The road condition index and ride quality ratings declined slightly, influenced by increased traffic and adverse weather. The percentage of road resurfacing fell short of the target, while footpath conditions and satisfaction improved to 51%. Overall satisfaction with local roads rose to 44% but remained below the 80% target. Fatalities and serious injury crashes increased to 35, higher than the previous year's target, with a high personal risk rating of 3.00%.

Infrastructure and Active Modes

Audit results for infrastructure contracts were positive, with 100% meeting standards. The total length of cycleways and shared paths has increased. Resident satisfaction with cycleways improved to 44% and shared paths to 51%, reflecting ongoing concerns about management and safety.

Parking and Facilities

Parking warnings issued increased to 8,508. Satisfaction with parking availability remained low at 49%, highlighting issues with parking space shortages, high fees, and enforcement practices.

Community Services

The Council successfully assisted 50 households into stable accommodation, meeting its target. Legal advice and advocacy services were provided to 99 households. The homelessness prevention program significantly exceeded its target, helping 191 households compared to the 75 aimed for. All nine community hubs met their visitor targets, with satisfaction remaining high at 88%.

Recreation and Culture

The Council managed grass sportsfield closures within the target of 20 days, while artificial turf sportsfields were closed for zero days. Satisfaction with sportsfields, parks, and playgrounds was close to or above the 80% target. Libraries saw a significant increase in physical loans to 724,981, with high satisfaction at 88%. Three out of five pools met their visitor targets, and fitness suite memberships rose to 1,806. Resident satisfaction with pools remained steady at 81%. Museums saw increased visits and high satisfaction at 92%.

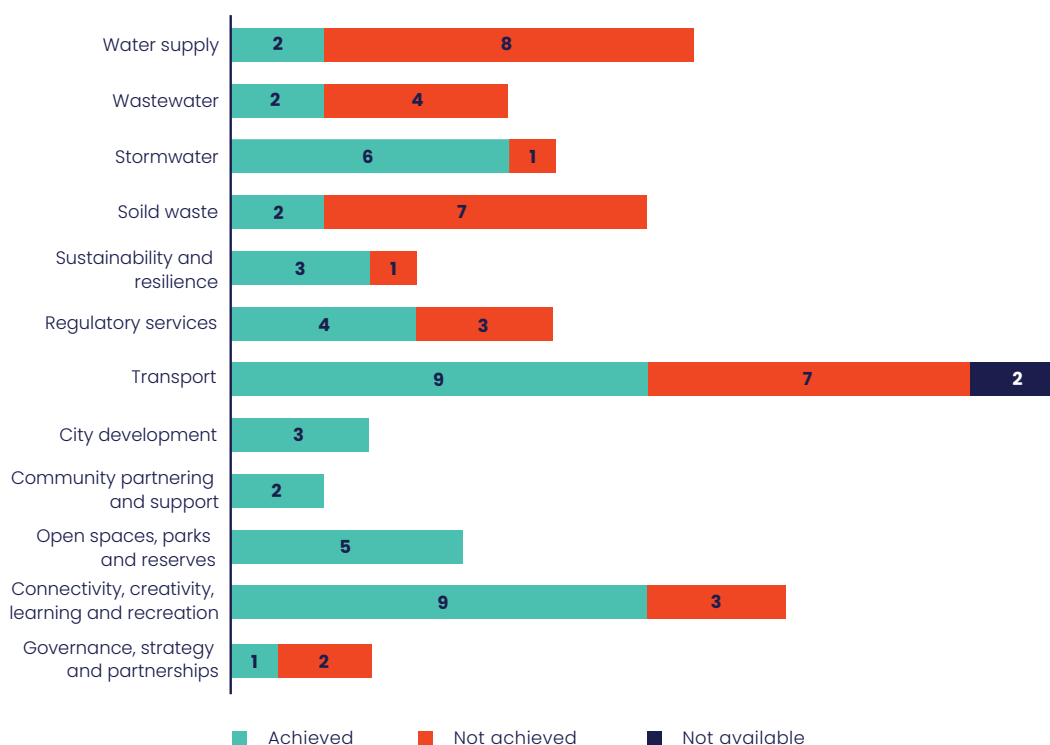
The Council met its target of 100% for making meeting and committee agendas publicly available on time. However, resident satisfaction with access to decision-making and the perceived effectiveness of public participation fell short of the 80% target, with satisfaction at 39% and feelings of being well-informed at 48%. Feedback indicates concerns about the Council's responsiveness to public input.

Conclusion

In 2023-2024, our performance showed both successes and areas needing improvement. Water management encountered difficulties with bacteria compliance and an increase in complaints, despite meeting protozoal standards. Wastewater management excelled with low overflow rates but faced challenges related to odour and enforcement actions. Stormwater management met targets for water quality and flood responses, though satisfaction with the service remained a concern. Waste management saw a reduction in litter complaints but struggled with recycling targets. On the sustainability front, we made notable progress, reducing emissions and expanding our electric vehicle fleet. Looking ahead, the KPIs outlined in the LTP 24-34 are designed to further improve our accountability, transparency, and overall performance, addressing the areas where we need to do better.

City Governance

KPI measure achievement by activity areas:







Oranga taiao

Environmental wellbeing

Ngā puna wai

Water supply

Statement of service performance

What we do

Ensuring the consistent and secure access to safe drinking water is an important concern for our community. To achieve this, Council's committed to providing a sustainable, high-quality water supply for both domestic and commercial needs. Our ongoing efforts involve close monitoring of water quality and undertaking necessary maintenance and upgrades to meet the required service standards.

Greater Wellington Regional Council oversees the extraction, treatment, and bulk water supply to feed the city's water supply system.

Why we do it

By delivering water that is of high quality and affordable, Council actively contributes to several crucial activities:

- Enhancing the overall health of the community
- Ensuring community safety, particularly through the water supply system's firefighting capabilities
- Supporting industrial and residential development initiatives.

Key performance indicators

Water supply

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Standards						
We want to ensure our community has access to a safe, clean, reliable water supply						
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria).	Full Compliance - 100%	Full Compliance - 100%	Non-Compliant	Non-Compliant	✗	<p>New rules introduced by Taumata Arowai in 2022 required an increase to a value known as a 'Ct' that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers.</p> <p>The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households located near the Treatment Plant. These customers receive water that has not travelled through the network for a long enough period to have the right amount of contact with chlorine to meet the new rules.</p> <p>Work done to date includes looking at rezoning some properties to be supplied from other areas of the network by constructing new assets including pipes, valves and pump stations. Construction work is due to start soon. This work is ongoing, and we estimate that it could take up to two years before we can achieve full compliance. Until this work is completed, we will be reporting non-compliance for the Drinking Water Quality Assurance (treatment) rules.</p> <p>In the interim, we are continuing with our regular monitoring of the drinking water from the bores supplied from the Waivhetau aquifer, as well as at the Waterloo Water Treatment Plant and locations within the drinking water network. The results show the water is safe to drink.</p>

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
We want to ensure our community has access to a safe, clean, reliable water supply (cont'd)						
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria).	Full Compliance – 100%	Full Compliance – 100%	Non-Compliant	Non-Compliant	✗	
Number of complaints for drinking water per 1000 connections.	≤ 20	24.3	26.1	31.7	✗	Our region faces significant challenges with aging infrastructure. Many water assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address issues that impact our customers.
Residents’ satisfaction with the water supply service they receive.	≥ 90%	83%	73%	57%	✗	Satisfaction with the water supply resident’s receive has decreased in 2024 compared to 2023 residents raised concerns about the lack of effective communication during water outages, suggesting the need for better notification methods, such as loudspeakers in the streets
Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	114 mins (Restated) (66 mins as reported)	98 mins	101 mins	✗	Our region faces significant challenges with aging infrastructure. Many water assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues. Increased level of investment from the council in finding and fixing leaks should have a positive impact on non-urgent response times in the coming year.
Resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 8 hours	18.3 hours (Restated) (3 hours as reported)	6.7 hours	4.6 hours	✓	
Attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 72 hours	193 hours (Restated) (92.4 hours as reported)	548 hours	191 hours	✗	Our region faces significant challenges with aging infrastructure. Many water assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues. Increased level of investment from the council in finding and fixing leaks should have a positive impact on non-urgent response times in the coming year.

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 20 working days	11 working days (Restated) (3 working days as reported)	23 working days	16 working days	✓	
We need to ensure we have a sustainable water supply for the future						
Average drinking water consumption per resident per day.	≤ 385 litres	381 litres	410 litres	422 litres	✗	<p>The average amount of drinking water used per person in Hutt City has stayed the same over the last two quarters, thanks to good leak management and plans to handle summer water risks.</p> <p>However, overall water use in the metro area is increasing, mostly because people in Wellington City are using more. We are pushing for more investment in reducing water loss and upgrading water networks across metro councils. Future investments in smart meters and increasing water sources will be important to keep up with supply and demand.</p>
Percentage of real water loss from networked reticulation system.	≤ 20%	20%	37%	35%	✗	<p>The estimated annual average water loss on the Lower Hutt public network for FY23/24 is 35%, down 2% from FY22/23 (37%). The methodology used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.</p> <p>Demand stayed relatively steady from July 2023 to February 2024, and has fallen approximately 1% from March to June 2024, in line with increased investment in leak repairs. This means the average year-on-year increase in demand per capita has slowed from 7% in the previous financial year to 2.9% in 2023/24.</p>

Prospective statement of comprehensive revenue and expense

Water supply

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	3,730	3,772	3,838	4,716	5,006	290
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	(72)	-	-	72	72
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	1,033	833	1,163	1,163	1,837	675
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	120	1,916	123	122	909	787
Other Revenue	-	-	-	-	-	-
Total Revenue	4,883	6,448	5,124	6,001	7,825	1,824
Expenditure						
Employee Costs	-	-	-	-	-	-
Operating Costs	19,978	20,990	21,772	25,726	26,217	(491)
Support Costs/Internal Charges	612	689	612	664	664	-
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	-	-
Finance Cost	595	955	831	1,896	2,090	(194)
Depreciation	5,006	5,270	5,673	6,375	6,646	(271)
Total Expenditure	26,191	27,904	28,888	34,661	35,617	(957)
Deficit Before Tax	(21,308)	(21,455)	(23,764)	(28,660)	(27,792)	868
Total Capital Expenditure	12,442	18,178	11,553	25,772	31,665	(5,893)
Rates Funding Requirement						
Deficit Before Tax	(21,308)	(21,455)	(23,764)	(28,660)	(27,792)	868
Add Capital Contributions	(1,033)	(833)	(1,163)	(1,163)	(1,837)	(675)
Rate Funded Debt Repayment	-	1,914	-	7,328	6,813	(515)
Total Rates Funding Requirement	(22,341)	(20,374)	(24,927)	(22,494)	(22,816)	(322)
Loan Funding Requirement						
Capital To Meet Additional Demand	(956)	-	(1,305)	(496)	(491)	(4)
Capital To Improve Level Of Service	(4,612)	(5,825)	(2,111)	(4,823)	(5,222)	399
Capital To Replace Existing Assets	(6,874)	(12,352)	(8,137)	(20,454)	(25,952)	5,499
Less Capital Contributions	1,033	833	1,163	1,163	1,837	675
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	5,006	5,270	5,673	6,375	6,646	271
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	(1,914)	-	(7,328)	(6,813)	515
Total Loan Funding Requirement	(6,403)	(13,990)	(4,717)	(25,562)	(29,995)	7,355
Total Funding Requirement	(28,744)	(34,364)	(29,644)	(48,057)	(52,811)	7,033

Operating projects

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Wellington Water Limited (WWL) manages, maintains and operates the Water Supply activity on behalf of Council under a management services agreement. Net operating costs are \$0.8M favourable to budget. This is mainly due to increased Development Contributions \$0.7M and Vested Assets of \$0.8M due to increased property development across the City. These are partly offset by higher maintenance costs of \$0.4M related to leak detection and repair work due to the ageing infrastructure, higher interest and depreciation costs of \$0.6M mainly due to greater investment in capital works.

Capital projects acquisitions and renewals

Water supply

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Meet Additional Demand			
Network Upgrades	57	223	(166)
Reservoir Upgrades	439	269	170
Capital To Improve Level Of Service			
Critical Pipelines Seismic Upgrade	824	2	821
Network Upgrade WS	1,242	3,532	(2,290)
Pump Station Upgrades WS	-	1	(1)
Reservoir Upgrades WS	2,757	1,687	1,070
Capital To Replace Existing Assets			
Distribution Pipe Model Development	91	19	72
Reactive Network Renewals WS	244	1,173	(929)
Reactive Pump Station Renewals	1,522	186	1,336
Reactive Reservoir Renewals	85	497	(412)
Control Systems Renewals WS	78	3	75
Network Renewals WS	18,433	24,074	(5,640)
	25,772	31,665	(5,893)

Significant asset acquisitions or replacements and variations from the Annual Plan

WWL manages the planning and delivery of the Water Supply capital programme on behalf of Council under a management services agreement. In 2023/24 and future years there is a large programme of capital works which WWL have been tasked with completing. The overspend in Water Supply of \$5.9M relates mainly to work on Network Upgrades and Renewals \$7.9M where significant progress was made on a programme of work to renew a large portion of the City's ageing infrastructure including replacement of galvanised pipes and included work programmed for future years. This overspend was approved by Council in February 2024. The overspends were offset by underspend on other projects including Reservoir Upgrades and Reactive Pump Station Renewals \$2.3M, as work was reprioritised.

Waiparu Wastewater

Statement of service performance

What we do

Council plays a crucial role in the community's wellbeing by collecting, treating, and responsibly disposing of wastewater. This service supports the growth and development of our city while ensuring the health of our residents and the protection of the environment.

We operate an extensive pipe network, and efficiently manage the flow of household and commercial effluent to the Seaview Wastewater Treatment Plant before the treated effluent is discharged into Cook Strait at the Pencarrow outfall.

Why we do it

By providing a reliable and responsible wastewater solution, we contribute to the development of our community and uphold the highest standards of public health and environmental protection.

This activity aligns with our commitment to fostering a thriving, sustainable city that prioritises the wellbeing of both residents and the natural environment.

Key performance indicators

Wastewater

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Standards						
It is critical our community is not exposed to any health or environmental risks associated with wastewater, by providing a safe, reliable, quality wastewater network						
Dry weather wastewater overflows per 1000 connections.	≤ 20	3.6	5.3	1.7	✓	
Number of complaints per 1000 connections.	≤ 30	2.6	22.1	24.1	✓	
Residents satisfaction with the wastewater service they receive.	≥ 90%	78%	72%	61%	✗	Residents raised concerns about smell from the wastewater treatment plants and streams across Hutt

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
Attendance time						
Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority’s sewerage system, the following median response times:						
Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	1,154 mins (Restated) (196 mins as reported)	593 mins	159 mins	✗	Our region faces significant challenges with aging infrastructure. Many assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues.
Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤ 8 hours	25.8 hours (Restated) (20.3 hours as reported)	35 hours	12.4 hours	✗	Our region faces significant challenges with aging infrastructure. Many assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues.
Compliance with resource consents for discharges from wastewater system.	No enforcement action	3	5	15	✗	<p>In 2023 we received a significant number of odour complaints relating to operations at the Seaview Wastewater Treatment Plant, and in June, undertook an investigation into the causes. This resulted in a piece of work to replace the biofilter media at the plant, which took longer than expected but was completed in January.</p> <p>The odour was particularly problematic while these improvements were being made and resulted in Hutt and Upper Hutt City Councils receiving 12 infringement notices for breach of an odour abatement notice during Q2 with an additional 12 infringement notices for breach of the RMA (for odour) issued to Wellington Water and Veolia (for a total of 24 respectively). The plant is now operating as designed and the odour is compliant, although we appreciate that it is still not at the standard that is acceptable to the community. Additional work on the odour treatment system has been brought forward through the Council’s LTP process and will be completed over the next two years.</p> <p>An additional notice was received for non-compliant wastewater quality in Q2, with two each for WWL and Veolia.</p>

Prospective statement of comprehensive revenue and expense

Wastewater

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	1,088	1,492	1,119	1,207	1,604	397
Operating Subsidies	2,611	2,861	2,687	3,234	3,409	175
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development Contributions	669	2,327	775	775	2,184	1,410
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	120	1,837	123	122	535	413
Other Revenue	-	(0)	-	-	-	-
Total Revenue	4,488	8,515	4,704	5,338	7,732	2,394
Expenditure						
Employee Costs	-	-	-	-	-	-
Operating Costs	16,515	15,708	17,288	20,147	18,593	1,554
Support Costs	1,062	1,132	1,067	1,098	1,098	-
Gain/(Loss) On Prop Revals, Sales, Disposals	-	2	-	-	(17)	17
Finance Cost	1,053	2,006	1,642	3,077	3,391	(314)
Depreciation	9,821	8,940	11,486	11,739	11,264	475
Total Expenditure	28,451	27,788	31,483	36,061	34,329	1,733
Deficit Before Tax	(23,963)	(19,273)	(26,779)	(30,723)	(26,597)	4,126
Total Capital Expenditure	33,187	48,184	32,197	40,813	38,422	2,391
Rates Funding Requirement						
Deficit Before Tax	(23,963)	(19,273)	(26,779)	(30,723)	(26,597)	4,126
Add Capital Contributions	(669)	(2,327)	(775)	(775)	(2,184)	(1,410)
Rate Funded Debt Repayment	-	(1,805)	-	5,659	2,735	(2,924)
Total Rates Funding Requirement	(24,632)	(23,404)	(27,554)	(25,839)	(26,046)	(207)
Loan Funding Requirement						
Capital To Meet Additional Demand	(2,713)	(3,292)	(4,664)	(7,968)	(4,392)	(3,577)
Capital To Improve Level Of Service	(3,148)	(3,609)	(10,794)	(6,462)	(1,957)	(4,505)
Capital To Replace Existing Assets	(27,326)	(41,283)	(16,739)	(26,383)	(32,074)	5,691
Less Capital Contributions	669	2,327	775	775	2,184	1,410
Less UHCC Capital Contributions	5,520	8,505	5,420	6,788	3,472	(3,316)
Less Depreciation	9,821	8,940	11,486	11,739	11,264	(475)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	1,805	-	(5,659)	(2,735)	2,924
Total Loan Funding Requirement	(17,177)	(26,607)	(14,516)	(27,170)	(24,237)	(1,849)
Total Funding Requirement	(41,809)	(50,012)	(42,070)	(53,009)	(50,283)	(2,056)

Operating projects

Wastewater

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Wellington Water Limited (WWL) manages, maintains and operates the Wastewater activity on behalf of Council under a management services agreement. Net operating costs are \$4.1M favourable to budget. This is mainly due to increased revenue from development contributions of \$1.4M, and vested assets of \$0.4M due to increased property developments across the City as well as reduced maintenance costs of \$1.6M.

Capital projects acquisitions and renewals

Wastewater

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Meet Additional Demand			
Network Renewals WW Growth	53	-	53
Network Upgrades WW Growth	3,303	2,645	658
Trunk Type A Asset Development	300	229	71
Trunk DBO Network Cyclic Replacement WW Growth	150	-	150
Trunk DBO Asset Replacement Fund WW Growth	2	-	2
Trunk Main Outfall Pipeline Overflow Mitigation WW Growth	1,432	87	1,346
Wastewater Valley Floor Infrastructure Growth	2,728	1,430	1,298
Capital to Improve Level of Service			
Network Upgrades WW	1,118	896	223
Trunk Type B Asset Development	-	1	(1)
Trunk Main Outfall Pipeline Overflow Mitigation	4,297	260	4,037
Trunk Type A Asset Development	1,047	800	246
Capital To Replace Existing Assets			
Control Systems Renewals WW	150	-	150
Wastewater Modelling	46	84	(38)
Network Renewals WW	9,519	21,927	(12,409)
Pump Station Upgrades WW	2,182	172	2,010
Trunk Non-DBO Minor Works	-	87	(87)
Trunk DBO JV asset replacement and Capacity upgrade	8,856	4,963	3,893
Trunk DBO Network Cyclic Replacement	5,230	4,537	693
Trunk Resource Consent Renewals	400	304	96
Total Capital Projects	40,813	38,422	2,391

Significant capital variations from Annual Plan

Wellington Water Limited (WWL) manages the planning and delivery of the Wastewater capital programme on behalf of Council under a management services agreement. In 2023/24 and future years there is a large programme of capital works which WWL have been tasked with completing. For 2023/24 progress was made ahead of what was originally planned on renewals projects and with some work brought forward on some significant renewals projects resulting in an overspend. The overspend was offset by underspend on other projects as work was reprioritised.

Waiāwhā

Stormwater

Statement of service performance

What we do

Through the provision of a comprehensive stormwater drainage pipe network, we effectively manage surface water run-off, offering flood protection and control.

Everyone is feeling the effects of a changing climate. Council is focused on controlling stormwater to keep people safe and minimise property damage during extreme weather events.

Why we do it

Controlling stormwater is an important step in safeguarding the wellbeing of the community. Council's objective is to create a resilient and safe environment by managing stormwater effectively.

By doing this, we also protect people, property, and the environment, while managing costs responsibly for the benefit of the community.

Key performance indicators

Stormwater

Measure	Target 2023-24	Achieved 2021-22	Achieved 2022-23	Achieved 2023-24	Year End vs Target 2023-24	Variance reason
Standards						
We want to ensure our community can enjoy recreational assets						
Achieve water quality at main recreational beaches: percentage of days that monitored beaches are suitable for recreational use during bathing season – 1 Dec to 31 Mar.	100%	100%	100%	100%	✓	
We want to ensure our City has a safe, reliable, quality stormwater system						
Number of flooding events (where stormwater enters a habitable floor).	≤ 2	2	0	0	✓	
Number of habitable floors affected by flooding events (per 1000 connections).	≤ 0.24	0.27	0	0	✓	
Number of complaints about stormwater system performance (per 1000 connections).	<20	14.3	18.2	8.5	✓	
Residents' satisfaction with the City's stormwater system.	≥ 70%	60%	51%	51%	✗	Satisfaction of City's stormwater has remained consistent with 2023 results. Residents cited their concerns about frequent flooding and blocked drains, prompting doubts about the adequacy of drainage during flooding episodes.
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 480 minutes	4,261 minutes	0 minutes	0 minutes	✓	
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions).	Full compliance (0 notices)	0	0	0	✓	

Prospective statement of comprehensive revenue and expense

Stormwater

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	12	44	12	12	17	5
Operating Subsidies	9	5	9	9	5	(4)
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	3,010	-	(3,010)
Development Contributions	108	272	119	119	215	96
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	120	1,760	123	122	859	736
Other Revenue	-	-	-	-	-	-
Total Revenue	249	2,081	263	3,272	1,095	(2,177)
Expenditure						
Employee Costs	-	-	-	-	-	-
Operating Costs	5,105	5,290	5,025	6,223	6,369	(146)
Support Costs	335	392	332	384	384	(0)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	-	-
Finance Cost	305	286	394	506	558	(52)
Depreciation	4,685	5,425	5,048	5,608	6,566	(958)
Total Expenditure	10,430	11,393	10,799	12,721	13,877	(1,155)
Deficit Before Tax	(10,181)	(9,312)	(10,536)	(9,449)	(12,782)	(3,333)
Total Capital Expenditure	4,116	3,160	2,980	10,164	3,908	6,256
Rates Funding Requirement						
Deficit Before Tax	(10,181)	(9,312)	(10,536)	(9,449)	(12,782)	(3,333)
Add Capital Contributions	(108)	(272)	(119)	(3,129)	(215)	2,914
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(10,289)	(9,584)	(10,655)	(12,578)	(12,997)	(419)
Loan Funding Requirement						
Capital To Meet Additional Demand	(187)	(114)	(57)	(6,199)	(767)	(5,432)
Capital To Improve Level Of Service	(1,502)	(1,220)	(198)	(2,596)	(362)	(2,234)
Capital To Replace Existing Assets	(2,427)	(1,826)	(2,725)	(1,369)	(2,780)	1,411
Less Capital Contributions	108	272	119	3,129	215	(2,914)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	4,685	5,425	5,048	5,608	6,566	958
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	677	2,537	2,187	(1,427)	2,873	(8,212)
Total Funding Requirement	(9,612)	(7,047)	(8,468)	(14,005)	(10,124)	(8,631)

Operating projects

Stormwater

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Wellington Water Limited (WWL) manages, maintains and operates the Stormwater activity on behalf of Council under a management services agreement. Net operating costs are \$3.3M unfavourable to budget. This is mainly due to reduced capital grants due to delays in the Valley Floor projects \$3M, higher depreciation as a result of recent asset revaluations \$1M, partly offset for increased vested assets of \$0.7M due to increased property developments across the City.

Capital projects acquisitions and renewals

Stormwater

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Meet Additional Demand			
Network Upgrades SW Growth	179	14	165
Stormwater Valley Floor Infrastructure Growth	6,020	753	5,267
Capital To Improve Level Of Service			
Network Upgrades SW	2,229	177	2,052
Stormwater consenting project	367	185	183
Capital To Replace Existing Assets			
Control Systems renewals SW	46	-	46
Stormwater Network Modelling	903	249	655
Network Renewals SW	-	2,430	(2,430)
Pump Station Reactive Renewals SW	420	101	319
Total Capital Projects	10,164	3,908	6,255

Significant capital variations from Annual Plan

Wellington Water Limited (WWL) manages the planning and delivery of the Stormwater capital programme on behalf of Council under a management services agreement. In 2023/24 and future years there is a large programme of capital works which WWL have been tasked with completing. The underspend in Stormwater of \$6.2M is largely due to the Stormwater Valley Floor Infrastructure project being delayed and deferral of Jackson Street Stormwater renewal.



Para

Solid waste

Statement of service performance

What we do

Council's role in solid waste management is important for keeping the community healthy, ensuring a high quality of life, and supporting a thriving environment.

The solid waste activity delivers on Council's waste management objectives by:

- Operating Council's kerbside rubbish, recycling, and green waste collection service
- Operating Silverstream landfill
- Monitoring and managing all of Council's closed landfills
- Investigating, trialling, and/or implementing new initiatives to reduce waste.

Over the next 10 years, Council is working to improve our waste minimisation by partnering with other councils in the region to implement a food and green organic collection service.

Why we do it

Solid waste management is integral to maintaining a healthy, vibrant community. By actively participating in waste management, we directly contribute to the overall wellbeing of our residents and the preservation of the environment.

Our commitment to waste minimisation reflects our dedication to creating a sustainable and eco-friendly community. Through the ownership and operation of the Silverstream landfill, we take a comprehensive approach to managing solid waste.

Key performance indicators

Solid waste

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Disposal/ landfills						
We are working to minimize the harmful effects of refuse						
Number of resource consent-related infringement notices received from Greater Wellington Regional Council.	Full compliance (0 notices)	0	0	0	✓	
Refuse services						
We want to reduce litter and the negative impacts it can have on our natural environment and on our community's health						
Number of litter incidents resulting in a complaint.	Previous year less 10% (328.50)	405	372	239	✓	
Recycling services						
We are looking at ways to reduce the amount of waste going to landfill						
Tonnes of waste to landfill (tonnes per person).	Less than previous year	19,735 / 113,559 = 0.17	21,431 / 113,034 = 0.18	22,543 / 114,000 = 0.19	✗	The amount of waste being sent to landfills has exceeded our projections. This rise is attributed to a growing population and the increasing number of newly inhabited houses. Additionally, a significant volume of contaminated materials is being diverted from recycling facilities, further contributing to the issue.

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Recycling services						
Percentage of kerbside recycling that is contaminated and diverted to landfill.	≤ 10%	18%	16%	15%	✗	The target contamination rate of 10% has not been met due to improper recycling practices by residents. The Waste and Resource Recovery Team is preparing a proposal for the Council to implement a new behaviour change strategy, as the current education campaign has not achieved the desired outcomes.
Tonnes of kerbside recycling collected. (historic data has been corrected to refer to kerbside recycling only).	Previous year plus 2% (>6,011)	5,778	5,865	5,134	✗	Improper recycling by residents has led to a reduced amount of recyclable material being sent to sorting facilities, impacting our ability to meet recycling targets.
Resident satisfaction with Council's kerbside rubbish collection.	≥ 90%	76%	78%	84%	✗	Satisfaction with kerbside rubbish collection services has increased in 2024 (84%) compared to 2023 (78%). Residents expressed dissatisfaction with the early collection time (before 7 AM) of the general waste (red lid) service. Additionally, some mentioned concerns about contractors placing bins back in the wrong location, and others found tall wheelie bins prone to tipping over in windy conditions.
Resident satisfaction with Council's kerbside recycling collection.	≥ 90%	75%	77%	83%	✗	Satisfaction with Kerbside recycling collection services has increased in 2024 (83%) compared to 2023 (77%). Several residents felt that the recycling service should include a broader range of plastics, including different numbered and soft plastics. There were also concerns that recycling might end up in landfills rather than properly recycling.
Resident satisfaction with Council's kerbside green waste collection.	≥ 90%	59%	58%	79%	✗	Satisfaction with green waste collection has increased in 2024 (79%) compared to 2023. There were also requests to expand green waste services to include compost, and to increase the frequency of recycling and green waste services.
Overall resident satisfaction with Council's waste collection services.	≥ 85%	73%	72%	84%	✗	Feedback was broadly positive of Council's kerbside waste collection. Negative comments centred on a wish to opt out of the services owing to cost and concerns about the quality of the bins.

Prospective statement of comprehensive revenue and expense

Solid waste

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	21,188	26,357	29,346	30,698	30,912	214
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development & Financial Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends From CCOs	-	-	-	-	-	-
Gain On Property Revaluations, Sales, Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	-	89	-	-	67	67
Total Revenue	21,188	26,447	29,346	30,698	30,979	281
Expenditure						
Employee Costs	400	171	412	254	363	(109)
Operating Costs	20,289	24,981	25,472	28,184	26,489	1,695
Support Costs	864	(1,240)	862	958	678	281
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	-	-
Finance Cost	655	714	773	439	685	(246)
Depreciation	1,769	1,699	1,824	1,533	1,722	(189)
Total Expenditure	23,977	26,325	29,343	31,368	29,937	1,432
Surplus Before Tax	(2,789)	122	3	(670)	1,042	1,713
Total Capital Expenditure	7,702	3,939	2,557	10,743	8,715	2,028
Rates Funding Requirement						
Surplus Before Tax	(2,789)	122	3	(670)	1,042	1,713
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	(7,256)	(10,454)	(10,427)	(11,534)	(13,174)	(1,640)
Total Rates Funding Requirement	(10,045)	(10,332)	(10,424)	(12,204)	(12,132)	73
Loan Funding Requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(7,702)	(3,939)	(2,557)	(10,743)	(8,715)	(2,028)
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	1,769	1,699	1,824	1,533	1,722	189
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	7,256	10,454	10,427	11,534	13,174	1,640
Total Loan Funding Requirement	1,323	8,213	9,694	2,324	6,181	(199)
Total Funding Requirement	(8,722)	(2,119)	(730)	(9,880)	(5,951)	(127)

Operating projects

Solid waste

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Net operating is \$1.7M favourable mainly due to an underspend in operating costs of \$2.0M which includes favourable operational contract costs for Kerbside collections \$2.0M, favourable revaluation for Emissions Trading Units \$0.7M, and a fair value gain of \$0.9M on revaluation of Decommissioned Landfills. These are partly offset by higher contract costs at the landfills \$0.8M and an increase in costs for Ministry for the Environment waste levy \$0.7M.

Capital projects

Solid waste

For the year
ended 30 June

	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Improve Level Of Service			
Silverstream LF Stg 2 Design & Const	6,406	7,787	(1,381)
Silverstream Landfill Asbestos Cell	2,121	482	1,639
Silverstream Landfill Transfer Station	2,217	28	2,189
Silverstream Landfill EV Charging Station	-	419	(419)
Total capital projects	10,743	8,715	2,028

Significant capital variations from Annual Plan

Capital is underspent by \$2M overall due to a number of changes during the year. The Landfill Asbestos Cell project was paused, and funds moved into 2024/25, in order to allow for prioritisation of landfill construction work (Stage 2 Design and Construction). Funding was brought forward for the acceleration of these works. Council also approved other budget changes during 2023/24, by reallocating some of the transfer station funds to the development of a new Landfill Heavy Electric Vehicle Hub. That project commenced in 2023/24, and is due for completion during 2024/25. The remaining funds for the transfer station have been carried over to 2024/25. However, the project is dependent on whether a (privately funded) project to develop a resource recovery hub at Manor Park will go ahead.

Whakauka me te Manawaroa

Sustainability and resilience

Statement of service performance

What we do

The climate change and sustainability activity is focused on changing the way we do things to improve climate outcomes across Council and for the community. This includes delivering on our Carbon Reduction Plan 2021–2031 and the Lower Hutt Climate Action Pathway.

Council delivers on our climate change objectives by:

- Providing advice to Council on climate change-related projects (such as the setting up of a Green Star requirement for the new Naenae pool)
- Managing and supporting projects to implement carbon reductions in line with Council's Carbon Reduction Plan 2021–31 and the Lower Hutt Climate Action Pathway (such as the EV charging station roll-out)
- Delivering the Low Carbon Acceleration Fund to support the city to reduce its emissions faster
- Managing and supporting regional projects, in collaboration with neighbouring councils (including the regional climate change impact and risk assessment, Regional Adaptation Plan, and Regional Emissions Reduction Plan)
- Monitoring Council's carbon emissions (annual carbon footprint).

Why we do it

In order for Council's climate change actions to be meaningful, the Council, and communities in Te Awa Kairangi ki Tai Lower Hutt, must ultimately align with good practice.

The sustainability and resilience activities enable the delivery of emission reductions, in line with Council's organisational carbon target of zero by 2050.

Key performance indicators

Sustainability and resilience

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
Climate change						
Council is responding to the impact of climate change and contributing to the goal of a carbon zero city by 2050						
Emissions from Council owned facilities (tCO ₂ -e)	30% reduction from 21–22 by 2024 (<2,293)	3,190	2,230	2,076	✓	
Percentage of Council owned vehicle fleet that is electric.	45%	42%	58%	69%	✓	
Emissions from Council owned fossil fuel vehicles (tCO ₂ -e).	Zero emissions by 2031 (85.6)	106 (New measure 2021–22)	79	67	✓	
Emergency management						
Our city is prepared for an emergency and can respond appropriately						
Percentage of Community Resilience Plans that are more than 24 months old	0%	60%	60%	60%	✗	WREMO, engaged by HCC, cannot meet this KPI due to current resource constraints, prompting considerations such as adjusting review methodology, reallocating resources, seeking community input, updating currency timeframe, and potentially reducing the number of community emergency hubs (CEH) from 36, which might exceed needs.

Prospective statement of comprehensive revenue and expense

Sustainability and resilience

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	95	-	119	118	80	(38)
Operating Subsidies	-	-	-	-	-	-
Operating Grants	278	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	237	-	255	44	(211)
Development Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	690	1,058	710	1,984	2,327	343
Total Revenue	1,063	1,295	829	2,357	2,451	93
Expenditure						
Employee Costs	363	883	374	936	910	26
Operating Costs	1,522	1,837	1,570	2,131	2,167	(36)
Support Costs	561	555	531	539	379	160
Gain/(Loss) On Prop Revals, Sales, Disposals	-	56	-	-	-	-
Finance Cost	13	96	18	77	85	(8)
Depreciation	15	80	15	34	124	(90)
Total Expenditure	2,474	3,507	2,508	3,717	3,665	52
Deficit Before Tax	(1,411)	(2,212)	(1,679)	(1,360)	(1,215)	145
Total Capital Expenditure	381	696	-	-	-	-
Rates Funding Requirement						
Deficit Before Tax	(1,411)	(2,212)	(1,679)	(1,360)	(1,215)	145
Add Capital Contributions	-	(237)	-	(255)	(44)	211
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(1,411)	(2,449)	(1,679)	(1,615)	(1,259)	356
Loan Funding Requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(381)	(696)	-	-	-	-
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	-	237	-	255	44	(211)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	15	80	15	34	124	90
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	(366)	(379)	15	289	168	(121)
Total Funding Requirement	(1,777)	(2,828)	(1,664)	(1,326)	(1,091)	235

Operating projects
Sustainability and resilience

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Waste Minimisation Projects	1,140	909	231

Significant operating variations from Annual Plan

Net operating is close to budget at year end with the main favourable variance being from higher Waste minimisation levy which is distributed by MfE, due to higher landfill volumes nationally partly offset by lower revenue for the Dowse project which has been carried over to 2024/25.

Capital projects acquisitions and renewals

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



Ngā Ratonga Waeture

Regulatory services

Statement of service performance

What we do

Our statutory activities are essential for cultivating a clean, healthy, appealing, safe, and sustainable environment for residents and visitors. These activities encompass building and resource consents, environmental health, trade waste management, animal services, and parking control. We are currently implementing new systems and processes to improve the customer experience and speed of our consent processing. For example, our new customer portal Objective Build and new processing software Go Get will help streamline consenting processes in the future.

We ensure the safety of the community by inspecting various establishments to guarantee cleanliness and hygienic practices. This reduces the risk of food-borne illnesses and alcohol-related harm.

Additionally, we oversee health-related activities in industries such as tattoo studios and beauty therapy shops to mitigate potential health hazards.

We also address health nuisances and noise issues to maintain a healthy living environment for everyone.

Why we do it

Most of our functions are required through various pieces of legislation. While primarily focused on environmental wellbeing, these activities also contribute directly to economic, social, and community safety outcomes. They play a crucial role in establishing and maintaining standards, promoting health and safety, and ensuring the welfare of our community. They are also aligning with our commitment to a vibrant and secure city.

Our activities aim to protect public health and the environment. Through the trade waste function, we manage wastewater and chemical hazards, responding promptly to water pollution incidents. By registering commercial properties that discharge liquid waste and charging users accordingly, we cover the expenses associated with waste treatment and disposal and ensure the safety of our waterways and surroundings.

Our animal services activities focus on enforcing regulations to ensure the safety of residents and the welfare of animals.

Finally, our parking services promote safe and efficient parking, ensuring fair access to public car parking spaces and enhance overall traffic management in the city.

Key performance indicators

Regulatory services

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	

Building consents

We need to ensure that new housing is safe and meets standards without delaying the process

Percentage of building consents processed within statutory timeframe.	100% within 20 working days	65%	74%	56%	×	There was steady improvement during the first half of the year. Applications increased before changes in legislation took effect later in the year. As a result, resources were redirected to manage the higher volume of new requests at the beginning of the calendar year.
Code of compliance certificates issued within the statutory timeframe.	100% within 20 working days	88%	83%	53%	×	The measure itself did not meet the target because there were more applications than expected and limited resources. Despite efforts to improve efficiency, processing times were extended, impacting our ability to achieve our goals for the year. Team is actively addressing these challenges to enhance our performance moving forward.

Resource consent

Percentage of non-notified resource consents processed within statutory timeframes.	100% within 20 working days	28%	42%	77%	×	Steady improvement throughout the year. Resources redirected to deal with influx of consents in the prior year.
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Environmental health

We want a community where everyone feels safe

Existing food premises verified within time frames.	95% by due date	7% (As at 30 June 2022 61% of existing food verifications were completed)	47%	98%	✓	
Sale and supply of liquor (high risk premises) inspected.	95% checked	99%	100%	100%	✓	
Noise control (excessive noise) complaints (%) investigated within 45 minutes.	≥ 85%	94%	79%	93%	✓	

Animal control

Number of animal management community education programmes carried out.	≥ previous year (38)	17	38	114	✓	
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Prospective statement of comprehensive revenue and expense

Regulatory services

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	7,015	8,487	7,250	8,697	8,836	139
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	1,211	1,208	1,248	1,354	983	(371)
Total Revenue	8,226	9,694	8,498	10,051	9,819	(232)
Expenditure						
Employee Costs	6,743	6,982	6,800	8,516	10,472	(916)
Operating Costs	1,861	4,148	1,799	1,936	6,058	(3,704)
Support Costs	3,381	3,381	3,609	3,969	3,952	(0)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	23	(23)
Finance Cost	9	11	14	77	203	(19)
Depreciation	100	102	97	54	289	(199)
Total Expenditure	12,319	16,612	12,532	16,135	20,996	(4,861)
Deficit Before Tax	(4,093)	(6,917)	(4,034)	(6,084)	(11,177)	(5,093)
Total Capital Expenditure	-	-	-	-	-	-
Rates Funding Requirement						
Deficit Before Tax	(4,093)	(6,917)	(4,034)	(6,084)	(11,177)	(5,093)
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(4,093)	(6,917)	(4,034)	(6,084)	(11,177)	(5,093)
Loan Funding Requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	-	-	-	-	-	-
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	97	177	83	90	289	199
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	97	177	83	90	289	199
Total Funding Requirement	(3,996)	(6,740)	(3,951)	(5,994)	(10,888)	(4,894)

Operating projects

Regulatory services

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Net operating is \$5.1m unfavourable to budget at year end. This was mainly due to additional resources and processing costs. These additional costs are mainly to engage contractors due to vacancies and the need to maintain the Council's IANZ accreditation. There were also cost increases that resulted from two recent settlements. Revenue is \$0.3m below budget mainly due to the discontinuation of the UHCC health inspections contract and reduction in WCC contract.

Capital projects acquisitions and renewals

Regulatory services

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

Oranga ōhanga

Economic wellbeing

Ngā waka Transport

Statement of service performance

What we do

The Transport team oversees essential programs aimed at maintaining, operating, and enhancing our transport system, and a continuous improvement approach for infrastructure development. Our focus prioritises road safety, encourages mode shift in transport choice, improves travel options, with a specific emphasis on mitigating climate change and delivery of infrastructure projects in a timely manner. Our goal is to have a well-connected and modern transport system that accommodates all modes of transportation and ensures accessibility and connectivity throughout the city.

Why we do it

Our commitment is to future-proof our growing city for future generations. We strive to establish a resilient and interconnected transport system that offers increased accessibility and encourages alternative modes of transport (for example, Tupua Horo Nuku). Our efforts in road and traffic asset management, maintenance contracts, road safety services, and active modes aim to provide well maintained roads, footpaths, and streetlights. This infrastructure facilitates efficient and secure travel for motor vehicles, bicycles, and pedestrians, aligning with our vision of a vibrant and connected city. We are also investing in projects to improve the resilience of our networks in the face of a changing climate. A good example is the work on Eastern Hutt Road which, when finished, will improve the reliability of the road to the northern suburbs.

Key performance indicators

Transport

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Traffic assets						
We need to be able to travel along key routes efficiently						
Travel time on key routes (High Street, Petone-Seaview, Petone-Woburn, State Highway 2, Petone-Kelson, Harcourt Werry Drive and Cambridge Terrace). (Average travel time is within 10% of the expected average travel time)	Improve on previous year	Baseline year: - High St/Hutt Rd 21.1 mins Seaview Rd/The Esplanade 7.8 mins State Highway 2 (Haywards to Ngauranga) 14.6 mins Harcourt Werry Dr 5.4 mins Cambridge Tce/Eastern Hutt Rd 11.9 min Wainuiomata Rd (Fitzherbert-Randwick) 8.2 mins	N/A	N/A	-	The travel duration for the fourth quarter was unrecorded owing to resourcing challenges.
Travel time reliability (Buffer time index).	Improve on previous year	22%	N/A	N/A	-	Limited availability of skilled personnel or contractor resources necessary to conduct the measurements or surveys required for the KPI. Due to these issues, the council has carefully considered removing these measures in the new Long Term Plan and replacing them with more meaningful indicators.

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Road assets						
Our transport system is safe to travel on						
Road condition index which measures the condition of the road surface (a lower number indicates a better rating).	Hold or improve rating (<3)	3	4	4	✗	Overall increase in traffic volumes and sustained wet weather over the last two seasons contributed to the decline in road surface conditions
The average quality of ride on a sealed local road network, measured by smooth travel exposure.	Hold or improve rating (>70%)	78%	70%	71%	✓	
Roading maintenance						
Percentage of sealed local road network that is resurfaced annually.	≥2%	3.2%	1.8%	1.80%	✓	
Percentage of footpaths that fall within the service standard for footpath condition.	≥98%	91%	89%	98%	✓	
Resident satisfaction with the footpath condition.	≥80%	37%	45%	51%	✗	Residents' satisfaction with shared paths has increased in 2024 (51%) compared to 2023.
Resident satisfaction with the condition of their local roads.	≥80%	42%	35%	44%	✗	Some residents felt that road repairs were obstructive.
Road safety services						
The number of fatalities and serious injury crashes on the local road network	Number (Previous year less 1% (24.74))	25	26	35	✗	Many things can cause accidents on the road, like not paying attention (like texting or eating while driving), driving too fast, being under the influence of alcohol or drugs, bad weather, roads in poor condition, being tired while driving, driving carelessly, problems with the vehicle, not knowing how to drive well, and not following traffic rules. The rise in accidents from last year could result from more vehicles on the road, increased mobile phone use, driver fatigue, worsening road conditions, or reduced safety enforcement and awareness.
Road risk rating – percentage that has a high collective risk rating and percentage that have a high personal rating	≤5% for both collective and personal risk	Data unavailable	1.65%	3.00%	✓	
Infrastructure contracts						
Infrastructure contracts managed by Council contribute to social outcomes						
Audit of contracts – number of contracts audited (7 of 7 maintenance contracts sampled per quarter).	≥ 90% meet standards as per contract	90%	67%	(7 of 7) 100%	✓	

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Audit of contracts – percentage of contracts meeting contractual obligations.	≥ 90% meet standards as per contract	90%	79%	100%	✓	

Active modes

We are working to strengthen our active transport network

Total length of cycleways.	Maintain or increase length from previous year	Not available	21.3 kms	25.7 kms	✓	
Total length of shared paths.	Maintain or increase length from previous year	Not available	71.4 kms	72 kms	✓	
Resident satisfaction with on road cycleway condition.	≥ 80%	20%	36%	44%	✗	In 2024, satisfaction with cycleways has risen to 44%, up from the previous year's 2023 levels. Residents have expressed worries about cyclist conduct and their perceptions that the council is overly focused on investing in cycleways. Feedback from residents on transportation infrastructure shows that a quarter of comments come from pedestrians or cyclists who feel unsafe due to motorists' behaviour on footpaths, pedestrian crossings, and roads.
Resident satisfaction with shared path condition.	≥ 80%	43%	45%	51%	✗	There were concerns raised about shared paths where cyclists were seen to dominate. This prompted requests for better education regarding responsible dog ownership and the proper use of leashes on these paths. Residents' satisfaction with shared paths has increased in 2024 (51%) compared to 2023.

Our parking enables access to services and businesses

Total parking warnings issued	≥ previous year	Not available	Not available	–		Baseline Year
Resident satisfaction with the availability of car parking to access services and facilities (does not include access to residences).	≥ 75%	Not available	45%	49%	✗	Residents are unhappy about several aspects related to parking. They feel frustrated due to insufficient parking spaces, high parking fees, strict parking enforcement, and complex parking rules. They have also highlighted problems with finding accessible parking, spaces designated for people with mobility needs, and special parking spots for parents.

Prospective statement of comprehensive revenue and expense

Transport

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	4,657	5,604	4,792	5,516	5,761	245
Operating Subsidies	4,753	4,980	4,901	4,482	6,372	1,890
Operating Grants	-	-	-	-	-	-
Capital Subsidies	11,206	8,688	14,201	20,455	10,063	(10,392)
Capital Grants	1,750	8,406	3,000	18,652	15,745	(2,907)
Development Contributions	366	409	428	428	712	284
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	525	3,500	540	537	1,561	1,024
Other Revenue	530	438	546	557	468	(89)
Total Revenue	23,787	32,024	28,408	50,627	40,683	(9,944)
Expenditure						
Employee Costs	2,422	1,923	2,493	2,047	2,287	(240)
Operating Costs	12,815	19,706	13,207	17,035	20,009	(2,974)
Support Costs	3,295	4,740	3,264	4,414	4,855	(441)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	6	(6)
Finance Cost	1,419	1,337	1,957	1,566	1,726	(160)
Depreciation	18,275	16,776	21,218	19,709	17,998	1,711
Total Expenditure	38,226	44,482	42,139	44,771	46,882	(2,111)
Deficit Before Tax	(14,439)	(12,458)	(13,731)	5,856	(6,198)	(12,054)
Total Capital Expenditure	23,836	25,788	30,839	66,460	41,950	24,510
Rates Funding Requirement						
Deficit Before Tax	(14,439)	(12,458)	(13,731)	5,856	(6,198)	(12,054)
Add Capital Contributions	(13,322)	(17,503)	(17,629)	(39,535)	(26,520)	13,015
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(27,761)	(29,961)	(31,360)	(33,679)	(32,719)	960
Loan Funding Requirement						
Capital To Meet Additional Demand	(283)	(159)	(2,031)	(1,226)	(676)	(550)
Capital To Improve Level Of Service	(15,027)	(18,711)	(19,982)	(54,962)	(31,999)	(22,963)
Capital To Replace Existing Assets	(8,526)	(6,918)	(8,826)	(10,272)	(9,275)	(997)
Less Capital Contributions	13,322	17,503	17,629	39,535	26,520	(13,015)

For the year ended 30 June	2021-31 LTP (Year 1)	Actual	2021-31 LTP (Year 2)	Annual Plan	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	18,275	16,776	21,218	19,709	17,998	(1,711)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	7,761	8,491	8,008	(7,216)	2,568	(39,236)
Total Funding Requirement	(20,000)	(21,470)	(23,352)	(40,895)	(30,150)	(38,275)

Operating projects

Transport

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Transport net operating is over budget at year end by \$12.1M mainly due to reduced capital capital subsidies and grants \$13M related to underspends in Tupua Horo Nuku, Micromobility, and Network Resilience Eastern Hutt Rd projects being underspent. Operating costs are also over budget by \$2.1M due to contract renewals with contracts being retendered. These are offset by an increase in vested assets \$1M due to increased developments through out the city and reduced depreciation costs due to delays in the capital works programme.

Capital projects acquisitions and renewals

Transport

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Meet Additional Demand			
Cross Valley Connections - Growth	65	4	60
Cycling Micro-mobility Programme Growth	948	331	617
Minor Safety Works Growth	1	-	1
Traffic Safety Improvements Growth	21	-	21
Local Area Traffic Management Growth	2	13	(11)
Pedestrian Crossing New Growth	1	-	1
Road Network Improvements - Growth	188	311	(123)
Road Network Improvements - Growth			
Cross Valley Connections	915	64	852
Reconstruction Improvements	84	-	84
Broadband Ducting	22	-	22
Land Purchase For Roads	11	-	11
Substandard Rds Upgrade	583	-	583
Tupua Horo Nuku Eastern Bays	22,028	19,930	2,098
Traffic Safety Improvements	1,032	798	234
Local Area Traffic Management	103	5	98
Pedestrian Crossings - New	27	-	27
Cycling Micromobility Programme	14,742	5,437	9,305

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Streets for people Program- Micromobility	1,584	377	1,206
Wainuiomata Coast Road Rehabilitation	1,500	-	1,500
School Speed Zone Programme	63	94	(31)
Road Network Improvements	700	407	293
Bridge Seismic Strengthening Cuba St. Overbridge	1,338	99	1,239
Network Resilience - Eastern Hutt Road	10,230	4,789	5,441
Capital To Replace Existing Assets			
Area Wide Pavement Treatment	2,579	3,055	(476)
Pavement Surfacing	4,633	3,489	1,144
Footpath Resurfacing And Replacement	432	562	(130)
Minor Road And Footpath Construction	78	107	(29)
Road Reconstruction	316	281	34
Wainuiomata Hill Rd Safety Seal	1,500	1,087	413
Traffic Signal Replacement	179	232	(53)
Minor Safety Works	53	(40)	93
Pedestrian Crossing Renewal	33	-	33
Streetlight Lantern Replacement Programme	185	198	(12)
Streetlight Standard Replacement	232	129	103
Carpark Resurfacing	54	-	54
Slip Remediation	-	177	(177)
Total capital projects	66,460	41,951	24,509

Significant capital variations from Annual Plan

Transport is underspent by \$24.5M, mainly due to Micromobility project underspend \$11M being paused due to uncertainty of Waka Kotahi subsidies, and the downsizing of the scope of Micromobility works in January 2024. A number of projects were delayed due to weather related issues and contractor availability including Pavement Surfacing \$1.1M, Wainuiomata Coast Road Rehabilitation \$1.5M, and Bridge Seismic Strengthening Cuba St \$1.2M. Eastern Hutt Road Resilience is underspent by \$5.4M on account of delaying Stage 3 pending approval of business case by NZTA. Tupua Horo Nuku was underspent by \$2M and Cross Valley Connections underspent by \$0.9M due to delays. Carryovers of the unspent budgets are required to complete these projects in 2024/25.

Whanake tāone

City development

Statement of service performance

What we do

Providing essential services that cater for the needs of residents, businesses, and visitors is crucial for the economic development of Te Awa Kairangi ki Tai Lower Hutt. The City Development Group oversees various activities, including urban design, business support and city growth, housing, and the District Plan. This multifaceted approach ensures a comprehensive strategy for the city’s development and wellbeing.

Why we do it

Our commitment to enhancing the quality of life for residents drives our efforts. Easy access to recreational green spaces, Te Awa Kairangi Hutt River, and Te Whanganui a Tara harbour contributes to our distinctive appeal. By supporting the business sector and promoting Te Awa Kairangi ki Tai Lower Hutt as a vibrant business location, we create a positive ripple effect, benefiting local enterprises and residents alike. Initiatives like placemaking, supported events, and collaborations not only add vibrancy to the city but also attract visitors. Collaborating with partners fosters better connectedness within our business community, facilitating skill development and capability enhancement for future growth. Overall, our work aims to create a thriving and interconnected community that contributes to the city’s economic prosperity and cultural richness.

Key performance indicators

City development

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
Housing						
We are working to help people facing homelessness and housing hardship						
Number of Te Awa Kairangi ki Tai Lower Hutt households assisted into more settled accommodation.	50	92	50	50	✓	
Number of households provided with legal housing advice and advocacy.	80	127	94	99	✓	
Number of households assisted by the homelessness prevention programme.	75	75	93	191	✓	

Statement of comprehensive revenue and expenses

City development

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	298	177	86	84	91	7
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	7,491	254	9,898	5,977	1,256	(4,722)
Capital Grants	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	-	88	-	-	111	111
Total Revenue	7,789	519	9,984	6,061	1,457	(4,604)
Expenditure						
Employee Costs	2,320	3,009	2,388	1,679	1,830	(151)
Operating Costs	12,644	4,988	4,513	9,360	4,897	4,463
Support Costs	2,217	2,435	2,118	2,309	2,319	(10)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	-	-	-	-	-
Finance Cost	635	1,146	1,188	2,053	2,263	(210)
Depreciation	-	5	-	12	4	9
Total Expenditure	17,816	11,583	10,207	15,413	11,313	4,101
Deficit Before Tax	(10,027)	(11,063)	(223)	(9,352)	(9,856)	(503)
Total Capital Expenditure	40,136	19,587	43,951	30,574	16,211	14,363
Rates Funding Requirement						
Deficit Before Tax	(10,027)	(11,063)	(223)	(9,352)	(9,856)	(503)
Add Capital Contributions	(7,491)	(254)	(9,898)	(5,977)	(1,256)	4,722
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(17,518)	(11,318)	(10,121)	(15,329)	(11,111)	4,218
Loan Funding Requirement						
Capital To Meet Additional Demand	-	(21)	-	(2,060)	(23)	(2,037)
Capital To Improve Level Of Service	(40,136)	(19,566)	(43,951)	(28,514)	(16,188)	(12,326)
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	7,491	254	9,898	5,977	1,256	(4,722)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	-	5	-	12	4	(9)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	(32,645)	(19,328)	(34,053)	(24,585)	(14,952)	(19,094)
Total Funding Requirement	(50,163)	(30,645)	(44,174)	(39,914)	(26,063)	(14,876)

Operating projects

City development

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Development Stimulus Package	3,282	415	2,867

Significant operating variations from Annual Plan

Net operating was slightly over budget at year end mainly due to less capital subsidies received \$4.5M as a result of delays in the Te Wai Takamori o Te Awa Kairangi – RiverLink projects offset by an underspend in the Development Incentives project due to delays with developments which is being carried over to 2024/25.

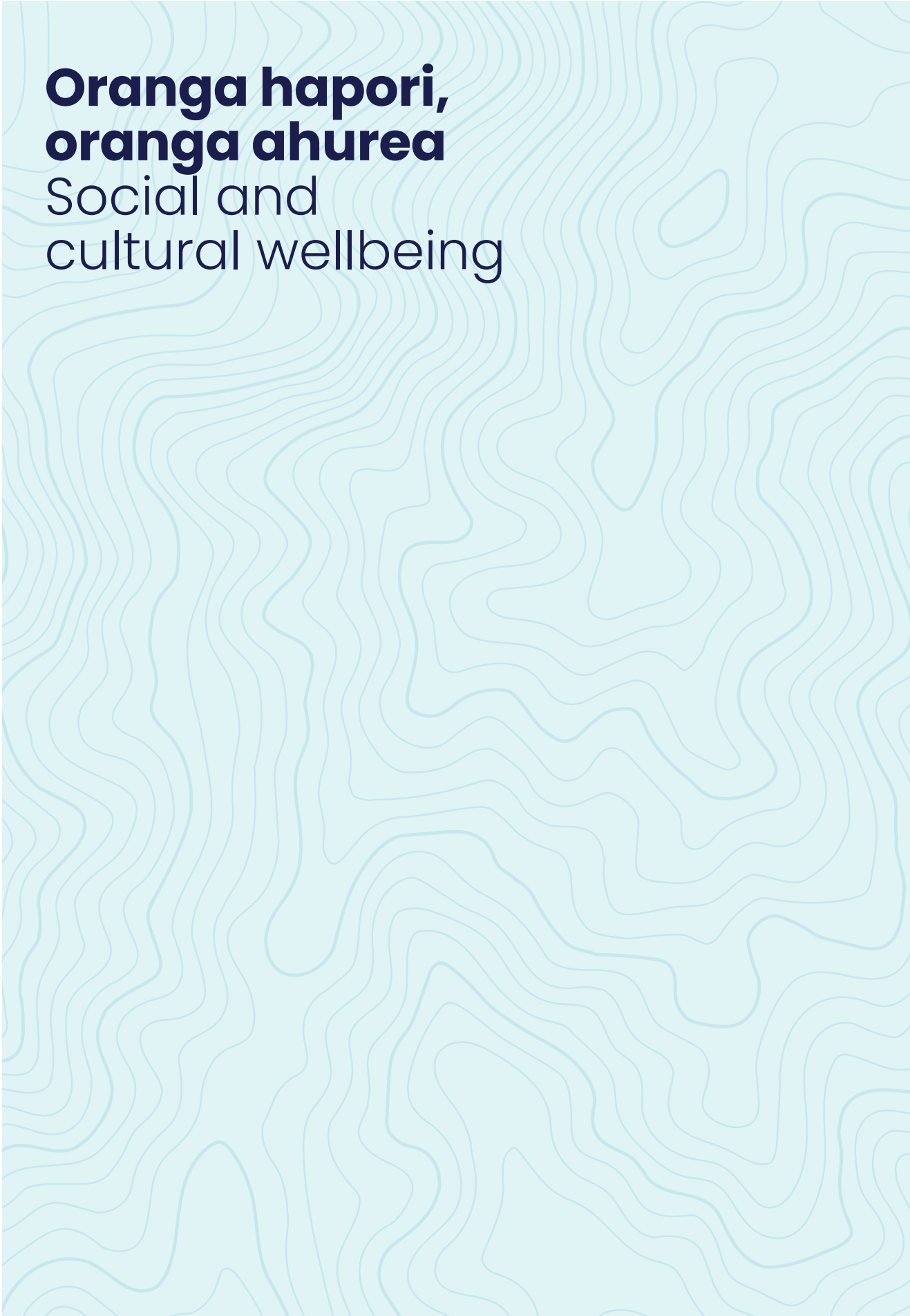
Capital projects acquisitions and renewals

City development

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Meet Additional Demand			
Urban Growth Strategy Improvements	1,560	23	1,537
Wainuiomata Town Centre reserve development	500	-	500
Capital To Improve Level Of Service			
Petone 2040	211	332	(121)
Naenae Town Centre Improvements	2,687	3,794	(1,107)
Suburban Shopping Centres Improvements	-	(95)	95
Wainuiomata Queen Street Development	-	404	(404)
Te Wai Takamori o Te Awa Kairangi – RiverLink – Strategic Property Purchases	450	-	450
Te Wai Takamori o Te Awa Kairangi – RiverLink – Streetscapes	13,148	8,368	4,780
Te Wai Takamori o Te Awa Kairangi – RiverLink – Replacement riverbank car park	299	1,292	(993)
Te Wai Takamori o Te Awa Kairangi – RiverLink – Intersections	4,498	419	4,079
Te Wai Takamori o Te Awa Kairangi – RiverLink – Riverbank park	-	112	(112)
Te Wai Takamori o Te Awa Kairangi – RiverLink – Footbridge	7,222	1,563	5,659
Total Capital Projects	30,574	16,211	14,363

Significant capital variations from Annual Plan

Capital was under budget by \$14M mainly due to delays with the RiverLink projects which made up \$12M of the underspend. RiverLink is a partnership project with the underspend due to changes to the Alliance programme. There was also an underspend on the Urban Growth Strategy project \$1.5M due to delays with developments. These underspends will be carried over to 2024-25 to continue these projects. There were offsetting overspends compared to the Annual Plan budget for the Naenae Town Centre Improvements \$1M and Wainuiomata Queen Street \$0.4M for which Council approved revised budgets during the year.



Oranga hāpori, oranga āhurea

Social and cultural wellbeing

Hō mātou rangapū hapori me te mahi ngātahi

Community partnering and support

Statement of service performance

What we do

Ensuring the prosperity of our city hinges on the creation of secure, interconnected, healthy, inclusive, and resilient neighbourhoods and communities. Recognising the important role communities play in fostering a sense of belonging and purpose, Council is committed to supporting local groups to improve their overall wellbeing.

Through our hubs, recreation, and digital connection, community and agency initiatives, we actively support wellbeing-focused services and programmes. Collaborative initiatives aimed at enhancing social and cultural wellbeing play a crucial role in fostering community connectedness and a sense of belonging.

Council’s role is to oversee the implementation and ongoing review of the Homelessness Strategy for Lower Hutt. We collaborate closely with partners and service providers to address homelessness effectively, with a particular focus on supporting individuals and families experiencing homelessness.

Why we do it

Our commitment to community wellbeing is seen through collaborative efforts with local communities to facilitate and support local initiatives. We want to help establish a collective community voice on specific issues and foster collaboration with groups and agencies across Te Awa Kairangi ki Tai Lower Hutt.

Council facilities such as hubs contribute to the wellbeing of our people and vitality of the city by:

- Providing recreation opportunities that enhance individual health and wellbeing, including personal development and quality of life
- Attracting visitors and therefore providing economic benefits to the district

A primary objective is to ensure that individuals and families facing homelessness have the necessary support and resources to secure stable housing. We prioritise prevention efforts to minimise the occurrence of homelessness and strive to create a community where everyone has access to safe and secure housing.

Key performance indicators

Community partnering and support

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
Community hubs						
We provide safe spaces for social, leisure and educational activities						
Number of sites which met visitor number targets.	9 of 9	0 of 3	0 of 3	9 of 9	✓	
Resident satisfaction with hubs	≥ 80%	83%	91%	88%	✓	

Statement of comprehensive revenue and expenses

Community partnering and support

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	451	467	464	461	459	(3)
Operating Subsidies	-	-	-	-	-	-
Operating Grants	5	-	5	5	1	(4)
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	164	899	169	1,016	1,305	290
Total Revenue	620	1,366	638	1,482	1,765	283
Expenditure						
Employee Costs	3,138	3,432	3,229	4,125	4,088	36
Operating Costs	4,646	4,713	4,389	4,212	4,501	(288)
Support Costs	1,648	1,885	1,632	1,798	1,798	-
Gain/(Loss) On Prop Revals, Sales, Disposals	-	45	-	-	8	(8)
Finance Cost	78	191	103	247	272	(25)
Depreciation	1,693	1,333	1,837	1,447	1,470	(23)
Total Expenditure	11,203	11,599	11,190	11,829	12,138	(308)
Deficit Before Tax	(10,583)	(10,232)	(10,552)	(10,347)	(10,373)	(26)
Total Capital Expenditure	827	556	1,209	1,058	519	539
Rates Funding Requirement						
Deficit Before Tax	(10,583)	(10,232)	(10,552)	(10,347)	(10,373)	(26)
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(10,583)	(10,232)	(10,552)	(10,347)	(10,373)	(26)
Loan funding requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(108)	(122)	(743)	(594)	(99)	(495)
Capital To Replace Existing Assets	(719)	(434)	(466)	(464)	(420)	(44)
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	1,693	1,333	1,837	1,447	1,470	23
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	866	777	628	389	951	(516)
Total Funding Requirement	(9,717)	(9,456)	(9,924)	(9,958)	(9,422)	(542)

Operating projects

Community partnering and support

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Net operating is close to budget at year end with a slight favourable variance. Additional revenue of \$0.3M within Healthy Families programmes reflects the higher operating cost of \$0.3M, as external funding is based on expenditure.

Capital projects acquisitions and renewals

Community partnering and support

For the year
ended 30 June

	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Improve Level Of Service			
Community Halls Improvements	105	93	12
Walter Nash Centre Equipment and Fitout	95	-	95
Walter NashTaita Centre Furniture	53	-	53
Community Hubs - Building Improvements	5	6	(0)
Community Panel Projects	336	-	336
Capital To Replace Existing Assets			
Community Halls External and Internal Renewal	105	105	1
Walter Nash Centre Renewal	242	79	164
Stokes Valley Hub Renewal	21	86	(65)
Wainuiomata Hub Renewal	6	103	(96)
Community Hubs - Furniture & Equipment Replacements	5	7	(2)
CCTV Replacement	32	-	32
Community Houses Building Renewal	53	41	12
Total Capital Projects	1,058	519	539

Significant capital variations from Annual Plan

Capital is under budget by \$0.5M mainly due to an underspend in the Community Panels project and Walter Nash Centre Renewal with unspent budgets on both projects to be carried over to 2024-25. There are also other savings across a number of smaller projects.



Papa rēhia me ngā whenua tāpui

Open spaces, parks and reserves

Statement of service performance

What we do

We are responsible for creating an attractive living environment in Te Awa Kairangi ki Tai Lower Hutt. This is seen through providing, developing, maintaining and protecting open spaces, parks, reserves, sportsgrounds, street gardens, and street trees. These areas not only enhance the aesthetic appeal of our city but also serve as important venues for recreation, gatherings, and informal social connection.

Why we do it

Council understands the positive impact of sport and recreation on the wellbeing of individuals, both physically and psychologically. We actively contribute to the development and maintenance of an extensive reserve network. These reserves not only foster a healthy natural environment but also serve as a platform for bringing people together for social activities. Through sportsgrounds, civic parks, neighbourhood parks, bush reserves, cemeteries, playgrounds, the foreshore, street trees, and gardens, we strive to create a pleasant environment accessible to the entire community.

For example, in Council's bush reserves, we focus on creating connected native habitats that host a diverse range of native species. This collaborative effort aligns with the broader initiatives of entities such as Greater Wellington Regional Council and the Department of Conservation (DOC), collectively contributing to the preservation and enhancement of our natural heritage.

Key performance indicators

Open spaces, parks and reserves

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
Open spaces, parks and reserves: We provide leisure and recreational opportunities to our community						
Number of days Council owned/ maintained grass sport fields are closed (due to maintenance or drainage issues).	≤ 20 days	15	23	20	✓	
Number of days Council owned/ maintained artificial turf sports fields are closed (due to maintenance or drainage issues).	≤ 10 days	0	3	0	✓	
Resident satisfaction with sports fields.	≥ 80%	75%	86%	83%	✓	
Resident satisfaction with parks and reserves.	≥ 80%	77%	85%	83%	✓	
Resident satisfaction with playgrounds.	≥ 80%	71%	82%	81%	✓	

Prospective statement of comprehensive revenue and expense

Open spaces, parks and reserves

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	1,515	1,628	1,507	1,553	1,705	152
Operating Subsidies	-	-	-	-	-	-
Operating Grants	6	6	6	6	(4)	(9)
Capital Subsidies	-	27	-	-	-	-
Capital Grants	-	643	-	100	11	(90)
Development Contributions	617	4,800	635	2,500	3,849	1,349
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	593	593
Vested Assets	-	65	-	-	48	48
Other Revenue	56	0	58	108	10	(98)
Total Revenue	2,194	7,168	2,206	4,267	6,211	1,943
Expenditure						
Employee Costs	807	909	831	969	614	355
Operating Costs	12,122	14,727	11,725	15,554	15,953	(399)
Support Costs	1,183	1,470	1,159	1,406	1,406	(0)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	43	-	-	-	-
Finance Cost	647	478	894	669	737	(68)
Depreciation	4,636	2,941	5,979	3,397	3,356	41
Total Expenditure	19,395	20,568	20,588	21,995	22,066	(71)
Deficit Before Tax	(17,201)	(13,399)	(18,382)	(17,728)	(15,856)	1,872
Total Capital Expenditure	12,052	4,893	12,807	5,484	5,698	(215)
Rates Funding Requirement						
Deficit Before Tax	(17,201)	(13,399)	(18,382)	(17,728)	(15,856)	1,872
Add Capital Contributions	(617)	(5,470)	(635)	(2,600)	(3,859)	(1,259)
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(17,818)	(18,869)	(19,017)	(20,328)	(19,715)	613
Loan funding requirement						
Capital To Meet Additional Demand	-	-	-	(1,400)	(1,358)	(42)
Capital To Improve Level Of Service	(2,162)	(2,278)	(1,090)	(953)	(2,235)	1,282
Capital To Replace Existing Assets	(9,890)	(2,615)	(11,717)	(3,131)	(2,106)	(1,026)
Less Capital Contributions	617	5,470	635	2,600	3,859	1,259
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	4,636	2,941	5,979	3,397	3,356	(41)
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	(6,799)	3,518	(6,193)	513	1,517	1,433
Total Funding Requirement	(24,617)	(15,351)	(25,210)	(19,814)	(18,198)	2,046

Operating projects

Open spaces, parks and reserves

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Petone Wharf Demolition	300	21	279
Point Howard Wharf Laterals Demolition	2,760	26	2,734

Significant operating variations from Annual Plan

Net operating is \$1.9M favourable to budget at year end mainly due to additional revenue of \$1.3M due to higher than expected Reserve Financial contributions as a result of the amount of property developments throughout the City. Operating expenditure was close to budget; however, there were higher operating costs due to repairs and maintenance, operational contract costs, grants to Hutt Valley Tennis (approved in a budget revision), and storm damage costs, totaling \$2.6M. These were offset by the deferral of the Point Howard Wharf Laterals Demolition \$2.7M and \$0.4M in reduced employee costs due to vacancies throughout the year.

Capital projects acquisitions and renewals

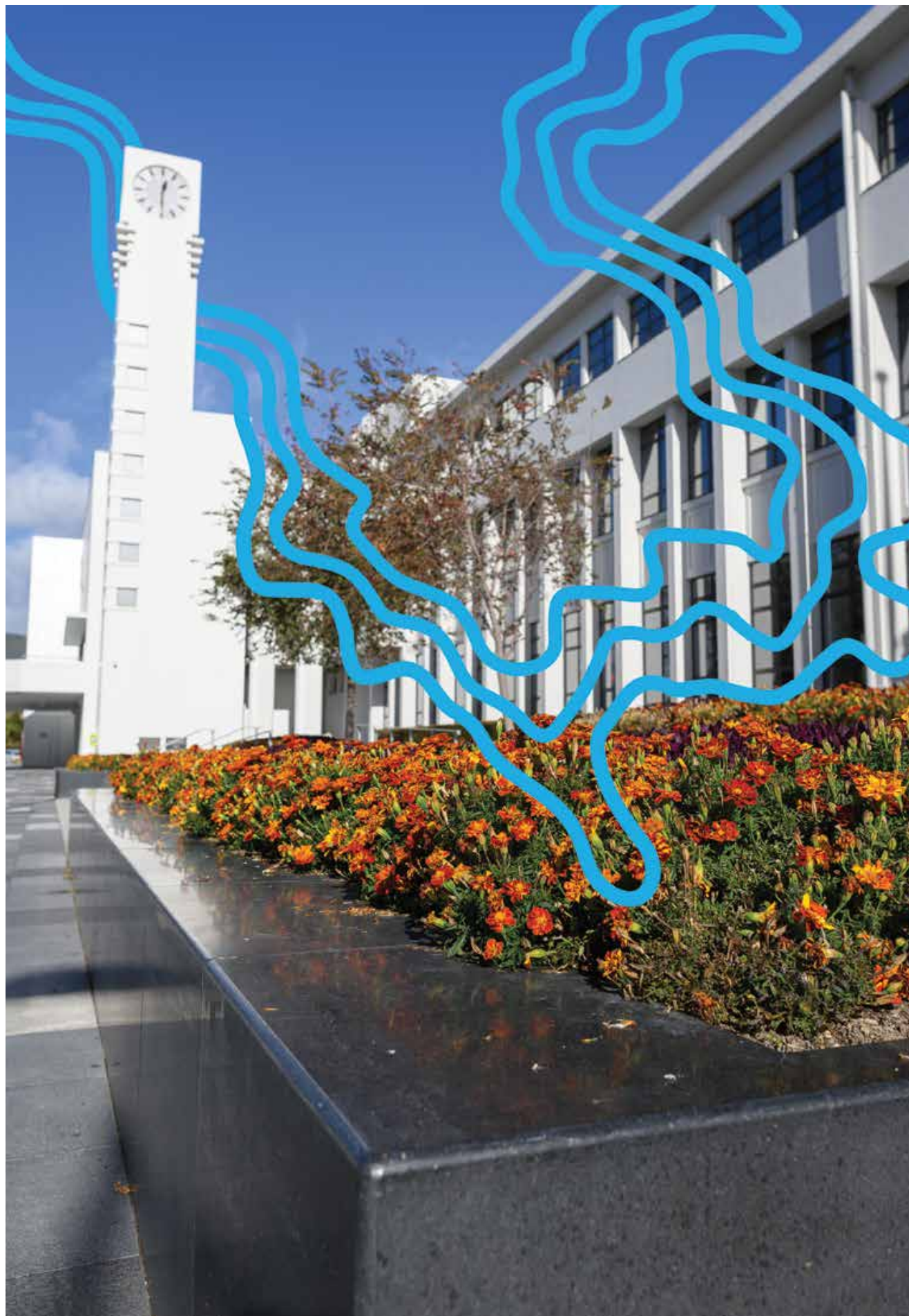
Open spaces, parks and reserves

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Meet Additional Demand			
Reserve Developments	-	4	(4)
Bell Park Development	500	275	225
Black Creek reserve development	270	44	226
Tree Planting City Wide	30	167	(137)
High Street Pomare reserve development	200	422	(222)
Delaney Park	400	446	(46)
Capital To Improve Level Of Service			
Parks & Gardens Protection Bollards	5	30	(24)
Williams Park Improvements	-	497	(497)
Valley Floor Review Implementation	-	555	(555)
Mountain Bike Park	53	258	(206)
New Cemetery Development, Akatarawa Road	895	895	(0)

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Replace Existing Assets			
Seats & Bins	63	5	58
Parks Buildings Capital Renewals	2,105	1,269	836
Parks Signage & Interpretation	-	13	(13)
Avalon Park Pavilion Renewal	95	67	28
Parks Hard Surfaces Renewal	263	193	70
Sportsground Buildings Renewal	232	170	62
Playgrounds	216	213	3
Petone Wharf	-	68	(68)
Track Renewal	105	92	14
Parks Signage & Interpretation	32	-	32
Other Renewals Projects	20	16	4
Total Capital Projects	5,484	5,698	(210)

Significant capital variations from Annual Plan

Capital is higher than budget by \$0.5m mainly due to a numbers costs for projects that Council approved revised budgets for including Williams Park Improvements \$0.5M and Valley Floor Review Implementation \$0.6M, as well as a number of other smaller overspends. These were offset by an underspend due to delays on Parks Buildings Capital Renewals \$0.8M, Bell Park Development \$0.2M, and Black Creek Reserve Development \$0.2M, with carryovers of the unspent budgets being requested to complete these projects in 2024/25.



Ngā herengatanga, auahatanga, akoranga me ngā mahi a te rēhia

Connectivity, creativity, learning and recreation

Statement of service performance

What we do

Council plays an important role in providing spaces and facilities that serve as hubs for connection, creativity, learning, and enjoyment. Our extensive network of swimming pools, fitness centres, art spaces, and museums form the beating heart of the communities they serve.

Council's aquatic team enhances community wellbeing through six facilities. Services include swimming pools, fitness suites, Swim City Swim School, and related programmes.

The facilities provide spaces where residents and visitors can relax, connect, improve fitness and health, build water confidence, learn to swim, and have fun!

Why we do it

Overall, our facilities contribute to enhanced social life, diversity, and wellbeing. They foster civic pride and promote strong community values. This focus on community strength and resilience ensures a sustainable and prosperous future for our city.

Council's focus on providing high-quality library services and museums stems from the belief that everyone should have access to information, knowledge, arts, and culture. By offering these resources, we aim to support and enrich individuals and the broader community.

Recognising the positive impact of recreation, sport, and fitness on people's lives, we ensure the provision of high-quality services at a cost that helps make them accessible for the entire community.

Aquatic and fitness facilities contribute to the wellbeing of our people and vitality of the city by:

- Increasing social cohesion and people's sense of belonging and healthy communities that can result from the social interaction that occurs at aquatic facilities; and
- Providing learn to swim programmes (particularly for children) which is considered a vital public service to promote safety and prevent accidental drowning.

Key performance indicators

Connectivity, creativity, learning, and recreation

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2023-24	2023-24	
Libraries						
We provide safe spaces where our community can access the services they need						
Number of libraries which met visitor number targets.	9 of 9	1 of 7	1 of 7	9 of 9	✓	
Number of physical loans from libraries.	≥575,000	712,932	715,127	724,981	✓	

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2022-23	2021-22	2022-23	2023-24	2023-24	
Number of physical loans from libraries via the home delivery service.	≥4,700	4,390	4,602	3,359	✗	The way people use library home delivery for physical loans is changing. More people are becoming aware of it, finding it easier to access, and using a wider range of services. Technology is getting better, staff and resources are being managed better, and there's less competition from other services. People are also preferring different ways to borrow books, which can change with the seasons and what's happening economically and health-wise.
Number of electronic loans from libraries.	≥123,000	115,321	177,361	204,409	✓	
Number of people using the Wifi at libraries and community hubs.	≥234,000	233,994	253,364	337,106	✓	
Use of Council computers at libraries and community hubs.	≥60,000	52,412	63,791	79,141	✓	
Resident satisfaction with Libraries.	≥ 80%	83%	91%	88%	✓	

Swimming pools and fitness

We provide our community with access to a leisure and recreational opportunities

Number of pools which met visitor number targets.	5 of 5	0 of 5	2 of 5	3 of 5	✗	The number of visitors to the pools is steadily increasing. Overall, there were 40,000 more visitors than last year.
Number of fitness suite members.	≥1,400	1,232	1,569	1,806	✓	
Resident satisfaction with pools.	≥ 80%	81%	88%	81%	✓	

Art spaces and museums

We enable access to arts and culture

Number of museums which met visitor number targets.	2 of 2	0 of 2	1 of 2	1 of 2	✗	The number of museum visitors is steadily increasing. Overall, there were over 10,000 more visitors than last year.
Residents' satisfaction with museums.	≥ 80%	80%	92%	92%	✓	

Prospective statement of comprehensive revenue and expense

Connectivity, creativity, learning, and recreation

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	4,289	3,645	4,532	4,080	4,014	(66)
Operating Subsidies	-	-	-	-	-	-
Operating Grants	83	116	84	36	21	(15)
Capital Subsidies	-	-	-	-	-	-
Capital Grants	8,000	4,063	12,100	17,550	8,185	(9,365)
Development Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	941	709	969	722	860	138
Total Revenue	13,313	8,534	17,685	22,388	13,080	(9,308)
Expenditure						
Employee Costs	9,730	9,288	9,991	9,330	10,043	(713)
Operating Costs	7,359	7,136	7,573	6,824	7,097	(272)
Support Costs	6,535	10,099	6,474	7,720	7,720	(0)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	265	-	-	306	(306)
Finance Cost	1,038	2,292	1,372	2,780	3,064	(284)
Depreciation	4,678	4,110	4,915	4,261	4,319	(58)
Total Expenditure	29,340	33,190	30,325	30,915	32,548	(1,633)
Deficit Before Tax	(16,027)	(24,656)	(12,640)	(8,527)	(19,468)	(10,941)
Total Capital Expenditure	24,696	29,689	30,474	30,673	25,676	4,997
Rates Funding Requirement						
Deficit Before Tax	(16,027)	(24,656)	(12,640)	(8,527)	(19,468)	(10,941)
Add Capital Contributions	(8,000)	(4,063)	(12,100)	(17,550)	(8,185)	9,365
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(24,027)	(28,719)	(24,740)	(26,077)	(27,653)	(1,576)
Loan funding requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(21,738)	(27,766)	(28,430)	(27,213)	(23,273)	(3,940)
Capital To Replace Existing Assets	(2,958)	(1,923)	(2,044)	(3,460)	(2,403)	(1,057)
Less Capital Contributions	8,000	4,063	12,100	17,550	8,185	(9,365)
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	4,678	4,110	4,915	4,261	4,319	58
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	(12,018)	(21,516)	(13,459)	(8,862)	(13,172)	(14,305)
Total Funding Requirement	(36,045)	(50,235)	(38,199)	(34,939)	(40,825)	(15,880)

Operating projects

Connectivity, creativity, learning, and recreation

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Net operating is over budget by \$10.9M mainly due to reduced capital grants received \$9.4M mainly due to delays with the Naenae Pool rebuild project. These grants are expected to be received in 2024-25. There were also overspends in employee costs due to payment of the living wage, overspends in maintenance and repairs \$0.3M and higher interest expense \$0.3M.

Capital projects

Connectivity, creativity, learning, and recreation

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Improve Level Of Service			
Dowse Collection Storage Upgrade	21	278	(257)
Dowse New Artworks	47	57	(9)
Dowse Heat Pump	890	11	878
Naenae Pool & Fitness Rebuild	26,000	22,373	3,627
Libraries Buildings Improvements	47	-	47
Civic Events Centre Improvements	50	149	(99)
Naenae Fitness Suite Equipment Purchase	158	55	103
Self Scanning Machines Purchase	-	89	(89)
Decarbonisation Energy Conversion (McKenzie Pool)	-	261	(261)
Capital To Replace Existing Assets			
Dowse Office Furniture and Equipment	42	37	5
Dowse Building and Plant Renewal	-	26	(26)
Dowse Gallery Lighting	21	21	0
Dowse Museum Renewal	-	75	(75)
Petone Settlers Museum Building & Plant Renewal	158	34	124
Other Pool Projects	440	523	(84)
Stokes Valley Pool Roof Replacement	679	470	209
Furniture and Equipment Replacement Programme Libraries	43	13	29
Replace Library Shelving	53	10	43
Libraries Stock Replacement	711	690	21
Clubhouse Equipment Renewal	16	-	16
Libraries Interior and Exterior Renewal	84	454	(370)
Little Theatre Renewal	-	9	(9)
Moera Library Renewal	1,214	42	1,172
Total Capital Projects	30,673	25,676	4,997

Significant capital variations from Annual Plan

Capital is underspent by \$5m mainly due to delays with the Naenae Pool rebuild project with the unspent budget to be carried over to 2024-25 with the projects expected to be completed in October 2024 and within budget. There were other underspends including Dowse Heat Pump project \$0.9M and Moera Library Renewal \$1.2M with both projects to be carried over to 2024-25, and Stokes Valley Pool Roof replacement \$0.2M which was completed under budget.

Kāwanatanga, ko te rautaki me ngā kīwei o te kete

Governance, strategy, and partnerships

Statement of service performance

What we do

Council plays a crucial role in local democracy, defined by the Local Government Act 2002, and has two primary objectives.

- Firstly, we are committed to enabling democratic local decision-making.
- Secondly, we are dedicated to promoting the wellbeing of communities through a sustainable development approach.

Our aim is to empower diverse communities to participate actively in local decisions. This is how we ensure democratic processes are upheld and remain accountable to our community.

We provide elected members with the essential support and professional advice they need to make sound decisions for the city. Our dedication to democratic principles isn't just a legal requirement; but a representation of our aspirations for a city that's inclusive and promotes active public involvement.

Why we do it

Council's governance activities are driven by a commitment to enhancing the wellbeing of our communities both in the present and for future generations. The Local Government Act 2002 requires us to recognise and respect the principles of the Treaty of Waitangi, emphasising the Crown's responsibility to incorporate these principles. As a result, our partnership with Mana Whenua is essential in meeting our obligations and fostering a city where everyone thrives.

To achieve these goals, we engage in comprehensive governance-related services, strategic planning, policy development, and continuous monitoring and reporting. Our work aims not only to fulfil legal obligations but to create an inclusive, resilient environment that supports the diverse needs of our community members.

Key performance indicators

Governance, strategy, and partnerships

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Democratic Services						
Our community are provided with the information they require to participate in the democratic process						
Percentage of meetings and committee agendas made available to the public within statutory timeframes (four clear working days under Council's standing orders).	100%	100%	99%	100%	✓	
Resident satisfaction with access to the decision-making process.	≥ 80%	40%	41%	39%	✗	Feedback from residents suggests many believe council decisions often ignore public input, like surveys and submissions, and that community feedback is often seen as just for show.
Residents feel they have enough information to participate in democratic process.	≥ 80%	47%	51%	48%	✗	Written feedback from residents suggests a prevalent perception that council decision-making frequently disregards public input, such as feedback from surveys and submissions, and that the council often solicits community feedback without genuine intent to incorporate it into decision-making processes.

Prospective statement of comprehensive revenue and expense

Governance, strategy, and partnerships

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	-	-	-	-	-	-
User Charges	-	-	-	-	-	-
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	-	-	-	-	-
Capital Subsidies	-	-	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-
Interest Earned	-	-	-	-	-	-
Dividends	-	-	-	-	-	-
Gain On Prop Disposals	-	-	-	-	-	-
Vested Assets	-	-	-	-	-	-
Other Revenue	241	197	-	-	-	-
Total revenue	241	197	-	-	-	-
Expenditure						
Employee Costs	1,144	1,066	1,154	1,146	1,108	38
Operating Costs	2,227	2,309	1,850	1,972	1,878	93
Support Costs	4,055	4,202	4,104	4,083	4,084	(0)
Gain/(Loss) On Prop Revals, Sales, Disposals	-	30	-	-	-	-
Finance Cost	-	-	-	-	-	-
Depreciation	3	5	-	-	7	(7)
Total Expenditure	7,429	7,612	7,108	7,201	7,077	124
Deficit Before Tax	(7,188)	(7,414)	(7,108)	(7,201)	(7,077)	124
Total Capital Expenditure	-	-	-	-	-	-
Rates funding requirement						
Deficit Before Tax	(7,188)	(7,414)	(7,108)	(7,201)	(7,077)	124
Add Capital Contributions	-	-	-	-	-	-
Rate Funded Debt Repayment	-	-	-	-	-	-
Total Rates Funding Requirement	(7,188)	(7,414)	(7,108)	(7,201)	(7,077)	124
Loan Funding Requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	-	-	-	-	-	-
Capital To Replace Existing Assets	-	-	-	-	-	-
Less Capital Contributions	-	-	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	3	5	-	-	7	7
Less Asset Sales	-	-	-	-	-	-
Less Rate Funded Debt Repayment	-	-	-	-	-	-
Total Loan Funding Requirement	3	5	-	-	7	7
Total Funding Requirement	(7,185)	(7,409)	(7,108)	(7,201)	(7,070)	131

Operating projects

Governance, strategy, and partnerships

There were no operating projects separately budgeted for the year.

Significant operating variations from Annual Plan

Net operating is close to budget at year end with no significant operating variances for the year.

Capital projects

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

Ratonga rangatōpū

Corporate services

Statement of service performance

Corporate services activities are related to Council's functions that support the delivery of our services and projects. These activities support the outcomes of all other activity areas.

Key performance indicators

Not applicable. No KPI measures were selected as part of the Long-Term Plan for this activity area.

Prospective statement of comprehensive revenue and expense

Corporate services

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Revenue						
Rates Income	81,342	85,999	148,165	95,074	95,014	(60)
Targeted rates Income	57,167	54,259	-	60,538	61,474	936
User Charges	1,136	1,549	1,169	1,436	1,817	380
Operating Subsidies	-	-	-	-	-	-
Operating Grants	-	844	-	11	422	411
Capital Subsidies	-	(8)	-	-	-	-
Capital Grants	-	-	-	-	-	-
Development Contributions	-	-	-	-	-	-
Interest Earned	912	1,491	926	3,238	6,396	3,158
Dividends	5	5	217	204	207	3
Gain On Prop Disposals	-	-	-	-	87	87
Vested Assets	-	-	-	-	-	-
Other Revenue	370	454	385	400	380	(21)
Gain/(Loss) On Revaluation Of Financial Instruments	-	3,613	-	-	-	-
Total Revenue	140,932	148,207	150,862	160,901	165,797	4,896
Expenditure						
Employee Costs	14,454	16,352	14,362	15,329	17,783	(2,454)
Operating Costs	6,488	9,501	6,007	10,511	7,728	2,783
Support Costs	(25,976)	(30,323)	(25,717)	(29,324)	(29,325)	1
Gain/(Loss) On Prop Revals, Sales, Disposals	-	(6)	-	-	-	-
Gain/(Loss) On Revaluation Of Financial Instruments	-	-	-	-	1,586	(1,586)
Finance Cost	1,436	1,602	1,523	3,575	6,590	(3,015)
Depreciation	2,144	955	2,632	1,064	842	222
Total Expenditure	(1,454)	(1,919)	(1,193)	1,155	5,203	(4,048)
Surplus Before Tax	142,386	150,126	152,055	159,746	160,594	847
Total Capital Expenditure	7,312	1,604	4,648	3,982	1,746	2,236

For the year ended 30 June	2021-31 LTP (Year 2)	Actual	2021-31 LTP (Year 3)	Budget	Actual	Bud v Act Variance
	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000	2024 \$000
Rates Funding Requirement						
Surplus Before Tax	142,386	150,126	152,055	159,746	160,594	847
Add Capital Contributions	-	8	-	-	-	-
Rate Funded Debt Repayment	35,320	27,291	30,116	34,030	34,480	449
Total Rates Funding Requirement	177,706	177,425	182,171	193,776	195,073	1,297
Loan Funding Requirement						
Capital To Meet Additional Demand	-	-	-	-	-	-
Capital To Improve Level Of Service	(6,139)	(860)	(3,296)	(2,619)	(1,017)	(1,602)
Capital To Replace Existing Assets	(1,173)	(744)	(1,350)	(1,363)	(729)	(634)
Less Capital Contributions	-	(8)	-	-	-	-
Less UHCC Capital Contributions	-	-	-	-	-	-
Less Depreciation	2,144	955	2,632	1,064	842	(222)
Less Asset Sales	9	-	438	436	-	(436)
Less Rate Funded Debt Repayment	(35,320)	(29,440)	(30,116)	(34,030)	(34,480)	(449)
Total Loan Funding Requirement	(40,479)	(30,097)	(31,692)	(36,512)	(35,383)	(3,343)
Total Funding Requirement	137,227	149,477	150,479	157,264	159,690	(2,046)

Operating projects

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Go Digital Program	3,237	1,683	1,554

Significant operating variations from Annual Plan

Net operating is \$0.8m favourable to budget at year end mainly due to higher targeted rates and rates penalties, and funding from DIA. Employee costs are over budget mainly due to additional costs to support Go Digital and higher annual leave provision. The higher employee costs for Go Digital are offset by lower operating costs and these have been carried over to 2024/25. Results include the loss of \$1.6m due to the revaluation of financial instruments. Higher interest revenue is largely offset by higher interest costs.

Capital projects acquisitions and renewals

Corporate services

For the year ended 30 June	Budget	Actual	Bud v Act Variance
	2024 \$000	2024 \$000	2024 \$000
Capital To Improve Level Of Service			
System Upgrades	74	-	74
Other (IT) Projects	105	106	(1)
Facilities Seismic Strengthening	1,713	-	1,713
Vehicle Purchase	726	780	(54)
The Pavilion Improvements	-	130	(130)
Capital To Replace Existing Assets			
Civic Administration Building Renewal	11	15	(5)
Hardware – IFS Admin	-	0	(0)
Hardware – IT Infrastructure	500	502	(2)
Contingent Facilities Management Fund	853	174	679
Defibrillators	-	38	(38)
Laptop Refresh	-	-	-
Total Capital Projects	3,982	1,746	2,236

Significant capital variations from Annual Plan

Capital is under budget by \$2.2M mainly due to underspend on facilities project for seismic strengthening of the War Memorial Library which is to be carried over. The underspend on Contingent Facilities Management Fund will be carried over to cover the cost of renewal of buildings.

Ngā ringaringa me ngā waewae o te kaunihera

Council-Controlled Organisations and Associates

Seaview Marina Limited

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

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

Nature and scope of its activities

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

Key performance indicators

Seaview Marina Limited

Measure	Target 2024	Actual 2024	Target 2023	Actual 2023
Financial				
Deliver the total annual budgeted revenue comprising each of the four business entities: – Boat storage – Hardstand – Marine centre – Launching ramp	Achieve 100% of budgeted income.	Achieved	Achieve 100% of budgeted revenue for four entities	Not achieved – 96.5% due to lower than planned marina berth occupancy rates.
– Control operational expenses (1) within budget	Operational expenses within budget \$1,376,513	Not achieved \$1,565,581	Achieve less than or equal to 100% of \$2,869,985	\$2,925,185 Not achieved, due to higher than planned diesel expenses, which also resulted in higher than planned diesel sales.
Achieve prescribed return on equity (2)	Achieve greater than or equal to 0.8%	Achieved 0.87%.	Achieve greater than or equal to 3.8%	Not achieved – 1.41%.
Manage capital expenditure (3)	Complete within budget	Achieved	Complete within budget and on time	Achieved

(1) Operational expenses are defined as all expenses controllable by Seaview management. Excludes losses arising from the revaluation of similar assets within an asset class.

(2) ROE is calculated as the net Surplus/ (Deficit) excluding losses or gains arising from the revaluation of similar assets within an asset class divided by the opening balance of equity at the start of the year.

(3) Capital expenditure excludes carry forward of expenses on projects from previous years.

Measure	Target 2024	Actual 2024	Target 2023	Actual 2023
Relationship and Communication				
Special interest messages	Complete 4 messages in 2023/24	Achieved – 45 messages sent to SML's customer base in 23/24 on various subjects.	Complete 4 newsletters in 2022/23	Not Achieved: due to staff shortages Newsletter 1 – 23.11.22 Newsletter 2 – 21.4.23 Newsletter 3 – 30.6.23 Note: 51 other communications were sent to SML's client database during this period.
Meet all shareholder reporting deadlines.	Reporting Deadlines for 2023/24	Achieved	Reporting Deadlines for 2022/23	Achieved
Risk Management and Human Resources				
Notifiable health and safety incidents.	Nil incidents	Achieved	Nil incidents	Achieved
Business Continuity Plan.	Not included in the 2023/24 Sol	N/A	Run test scenario and review	Achieved – (Refer to Note 4)
Staff satisfaction.	Achieve 85% staff satisfaction	Not applicable. Survey will be undertaken 2024/25.	Achieve 85% staff satisfaction	Not Achieved 78% for 2022/2023
Marketing				
Implement marketing strategy to improve occupancy rates.	Berth occupancy equal or greater than 80%	Achieved. Average occupancy 84%	Berth occupancy equal or greater than 91%	Not achieved, berth occupancy 85% Refer Note 5
Non-Financial				
To provide financial or non-financial support to at least three charitable (non-profit) ventures with a marine focus during any given year.	Support to at least three organisations	Achieved Refer Note 6	Support was provided to three charitable ventures in 2022/23	Achieved Refer Note 6
Public Benefit.	N/A in current year as survey is bi-annually	N/A	Perform survey of public opinion on marina facilities (during third quarter)	Achieved
Environmental				
Reduce direct emissions.	Reduce direct emissions by 50% by 2030, and achieve net zero emissions by 2050 Note 7	This is a future 2030 target. 2024/2025 will see a beginning analysis to identify individual emission level from individual machinery items.	Reduce direct emissions by 50% by 2030, and achieve net zero emissions by 2050	In progress – ongoing obligation in process; see below.

Measure	Target	Actual	Target	Actual
	2024	2024	2023	2023
Fleet and equipment.	Equipment or vehicles utilising fossil fuels be replaced by equipment or vehicles that are electric or utilise other low carbon alternative.	Seaview Marina purchased an electric sweeper late 23/24. Analysis of SML's highest emitting machinery & equipment will occur 24/25. Based on findings and economic feasibility, the following items are scheduled to be replaced within 5 years. 1. Electric work vehicle (replaces diesel powered vehicle) 2. Electric water blaster (replace gasoline powered equipment) 3. Electric conversion for all hot water heating in ablution areas (replaces LPG heating) 4. Electric forklift (replaces LPG powered vehicle) Note: After replacement of this machinery, there would be only 2 machinery items that remain fossil fuel powered – 50 MT Travellift and 8MT Tractor.	Equipment or vehicles utilising fossil fuels be replaced by equipment or vehicles that are electric or utilise other low carbon alternative	Achieved – new electric powered industrial sweeper purchased in 2023.
Plan use of incentives.	Explore pricing incentives to transition to electric or other low carbon propulsion, and consider actions to reduce indirect emissions from marina users	Incentives to reduce indirect emissions (i.e. encourage customers to switch to electric propulsion) are paused to documented fire risk around D.I.Y conversions. Legislation is currently being consulted on with a panel of industry professionals. D.I.Y conversions restrict vessels' ability to be insured, which is a condition of berthage at Seaview Marina.	Explore pricing incentives to transition to electric or other low carbon propulsion, and consider actions to reduce indirect emissions from marina users	N/A – incentive will be implemented in 2023/2024

Note 4: Cyclone Gabrielle was active across New Zealand from 12th through 16th of Feb 2023. SML made the decision to keep staff at home on 14.2.23, due to this severe weather event. Business was continuous while most staff worked remotely.

Note 5: In 2021/2022 SML encountered a problem with large numbers of seabirds roosting on the new in-water development. This needed to be solved before actively marketing the vacant berths. In 2022/2023, promotion of the marina was enhanced through social media, however wider economic contraction has suppressed occupancy rates.

Note 6: Support was provided to the following charitable ventures/trusts – Sailability, Coastguard NZ, Lowry Bay Yacht Club, the Heart Day Out and NZME Special Childrens Christmas Party.

Note 7: While we still have net zero emission target to achieve by 2050, we are still defining what this means to the organisation, including what emissions this will cover and if it is feasible for us to get there.

Urban Plus Limited

Urban Plus Ltd (UPL) Group is 100% owned by Hutt City Council. The Urban Plus Ltd Group consists of Urban Plus Ltd and its 100% owned subsidiaries UPL Development Ltd and UPL Ltd Partnership.

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

Council's objective for this company is for it to own and operate a portfolio of rental housing and develop property in preparation for sale or lease. The company's activities include property development, rental property management, provision of strategic property advice to Council and the purchase of surplus property.

Nature and scope of its activities

UPL was established in 2007 as a specialist property company charged with supporting the objectives of Council by providing housing outcomes for Te Awa Kairangi ki Tai Lower Hutt. UPL has managed and invested into its portfolio of social housing ever since it took ownership of the portfolio from Council in 2007. UPL also provides specialist property services and advice to Council and is involved in a range of development activities.

UPL's primary focus has been on delivering social housing for low-income elderly and releasing affordable and market housing for sale. Council's expectation is that UPL continues the delivery of wider housing outcomes and benefits.

Key performance indicators

Urban Plus Limited

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
Rental Housing				
1.1 Capital expenditure within budget.	Capital \$3,722,282	Achieved \$2,131,428	Capital \$1,846,592	Achieved \$628,898
1.2 Operational expenditure within budget ¹ .	Operating \$1,703,405	Not Achieved \$1,884,077	Operating \$1,462,680	Achieved \$1,430,085
1.3 Net surplus before depreciation and tax and after finance expenses as a proportion of the net book value of residential land and buildings at the start of the year greater than 2.25% ² .	2.25%	Not Achieved 0.47%	2.25%	Achieved 2.43%
1.4 Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90% ³ .	90%	Achieved 90%	90%	Achieved 96%

1 Operating expenditure before depreciation and tax expense.

2 Calculated as net surplus plus depreciation, over the opening value of residential land and buildings.

3 This measure is from a survey of tenants who on a 5-point rating scale, with 3 being 'neutral', rated their satisfaction as satisfied or better. There was a response rate of 34.1% from the 182 surveys sent.

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
1.5 Percentage of total housing units occupied by low-income elderly greater than or equal to 85%.	85%	Not Achieved 80.77% identified NZ National Superannuation as their primary source of income. The existing tenants at recently acquired Properties have lowered this percentage. ⁴	85%	Not Achieved 75.27% identified NZ National Superannuation as their primary source of income. The existing tenants at recently acquired Properties have lowered this percentage. ⁴
1.6 Annual rental increases to be no greater than \$50 per week per unit.	No greater than \$50 per week per unit	Achieved Rent increase no less than \$4 and no greater than \$20 per week per unit	No greater than \$50 per week per unit	Achieved There was no rent increase in FY22/23
1.7 Increase the portfolio size to 220 units by December 2024.	220 units by December 2024	Not Achieved UPL has 188 units (includes 5 units at 17 Britannia St, which were completed in June 2024)	220 units by December 2023	Not Achieved Number of units decreased to 183, the 220 target is expected to be achieved by December 2023
1.8 All rental housing units in the portfolio to have a HomeFit® certificate by 30 June 2024.	All housing units to have received a HomeFit® certificate by 30 June 2024	Achieved All housing units received a HomeFit® certificated	All housing units to have received a HomeFit® certificate by 30 June 2024	Not Achieved All housing units are expected to have received a HomeFit® certificated by 30 June 2024
1.9 Any rental housing units purchased and not already utilising electricity or renewable sources of energy for space heating, water heating, and cooking facilities, shall be converted to utilise only electricity or renewable sources of energy within five years of acquisition.	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	N/A No units in the existing portfolio utilise non-renewable energy sources. No units acquired during 2023/24 utilise non-renewable energy sources	Convert all purchased units that do not already do so, to utilise only electricity or renewable sources of energy for space heating, water heating, and cooking facilities within five years of acquisition	N/A No units in the existing portfolio utilise non-renewable energy sources. No units acquired during 2022/23 utilise non-renewable energy sources
1.10 New rental housing units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	Achieved 5 units were constructed during 2023/24	All units constructed by UPL to utilise only electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A No units were constructed during 2022/23

⁴ Information on the existing tenants at 38 Britannia St are not included in the calculation as this property has leased out to Wellington City Mission.

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
Property Development				
1.11 Capital expenditure within budget.	Capital \$11,858,328	Not Achieved \$12,643,390	Capital \$73,233	Not Achieved \$192,409
1.12 Operational expenditure within budget ¹ .	Operating \$1,745,709	Achieved \$1,496,144	Operating \$9,570,072	Achieved \$8,922,465
1.13 All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cook facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cook facilities	Achieved	All developments consented after 30 June 2019 to utilise only electricity and renewable energy sources for space heating, water heating and cooking facilities	Achieved
1.14 All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars. ⁵	All new housing units to achieve a HomeStar™ rating of at least six stars	Achieved All housing units received a HomeStar™ design rating of at least six stars	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars ⁵	Achieved All housing units received a Homestar™ design rating of at least six stars
1.15 A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).	20%	N/A No 'Market' housing development projects were completed during 2023/24	20%	N/A No 'Market' housing development projects were completed during 2022/23
1.16 A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).	15%	N/A No 'Affordable' housing development projects were completed during 2023/24	15%	N/A No 'Affordable' housing development projects were completed during 2022/23

⁵ Homestar™ is an independent rating tool for assessing the health, efficiency, and sustainability of homes. Homestar™ built ratings are achieved after assessments completed once projects obtain practical completion.

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
1.17 Value of divestment to Community Housing Provider (or socially likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 12.5% (except where the Board and Shareholder agree otherwise to achieve specified objectives)	12.5%	N/A No divestments to Community Housing Providers were made during 2023/24	12.5%	Achieved The sale of the Molesworth Street project property returned 20.3%
1.18 Long-term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation.	3.5%	N/A We completed 5 long-term public rental accommodations in June 2024, but they were untenanted.	3.5%	N/A No long-term public rental accommodation was completed during 2022/23
Professional Property Advice				
1.19 Achieve a market return on additional services provided to the shareholder.	Achieve a market return on additional services provided to the shareholder	N/A Additional services were not charged to the shareholder during 2023/24	Achieve a market return on additional services provided to the shareholder	N/A Additional services were not charged to the shareholder during 2022/23

Statement of service performance

UPL Developments Limited

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required.	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved	Undertake, negotiate and execute tender processes for and on behalf of the Partnership and 'parent' company as required	Achieved
Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required.	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved	Facilitate civil and construction contracts for and on behalf of the Partnership and 'parent' company as required	Achieved
Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects.	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved	Facilitate the payment of contract progress claims for Board approved contracts and payments to other suppliers engaged to provide services or goods to defined development projects	Achieved
Capital expenditure within budget ¹ .	\$12,751,715	Achieved \$4,054,202	\$22,066,704	Achieved \$2,212,303
Operational expenditure within budget ² .	\$177,636	Not Achieved \$191,624	\$140,753	Not Achieved \$167,571
All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	N/A No new developments were completed in the year to 30 June 2024	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	N/A No new developments were completed in the year to 30 June 2023

¹ Calculated as net surplus plus depreciation, over the opening value of residential land and buildings.

² Operating expenditure before depreciation and tax expense.

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars ³ .	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars.	Achieved All projects that were consented in the year to 30 June 2024 achieved a HomeStar design rating of at least six stars.	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar design rating of at least six stars.	N/A No new housing units were consented in the year to 30 June 2023
A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).	20%	N/A No commercial development projects were completed during the year to 30 June 2024	20%	N/A No commercial development projects were completed during the year to 30 June 2023
A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2024	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2023
Value of divestment to Community Housing Providers (or socially likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 12.5% (except where the Board and Shareholder agree otherwise to achieve specified objectives).	12.5%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2024	12.5%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2023
Long term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation.	3.5%	N/A We completed 5 long term public rental accommodation in June 2024, but they were untenanted	3.5%	N/A No long term rental accommodation was developed during the year to 30 June 2023
Act as general partner when a Limited Partnership structure is utilised for development projects.	Act as General Partner when a Limited Partnership structure is utilised for development projects	Achieved	Act as general partner when a Limited Partnership structure is utilised for development project	Achieved

3 Homestar™ is an independent rating tool for assessing the health, efficiency, and sustainability of homes. Homestar™ built ratings are achieved after assessments completed once projects obtain practical completion.

Statement of service performance

UPL Limited Partnership

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds.	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved	Develop land in a manner which maximises its value at a level of risk appropriate for the investment of funds	Achieved
To perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes.	Perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes	Achieved	Perform business undertakings in common with UPL with a view to profit from development projects for the purposes of funding elderly housing portfolio and meeting the Shareholder's wider key priority outcomes	Achieved
Capital expenditure within budget ¹ .	\$8,848,328	Not Achieved \$9,734,667 The projects are ahead of the budget	Nil	Not Achieved \$808,388
Operational expenditure within budget ² .	\$529,470	Achieved \$20,165	\$140,120	Achieved \$23,081
All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities	Achieved All consented projects utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	All new developments shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.	Achieved All consented projects utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.
All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars ³ .	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars	Achieved All projects that were consented in the year to 30 June 2024 achieved a HomeStar design rating of at least six stars.	All new housing units (standalone house or townhouse) shall achieve a certified HomeStar™ design rating of at least six stars.	N/A No projects received HomeStar design rating accreditation within this financial year.

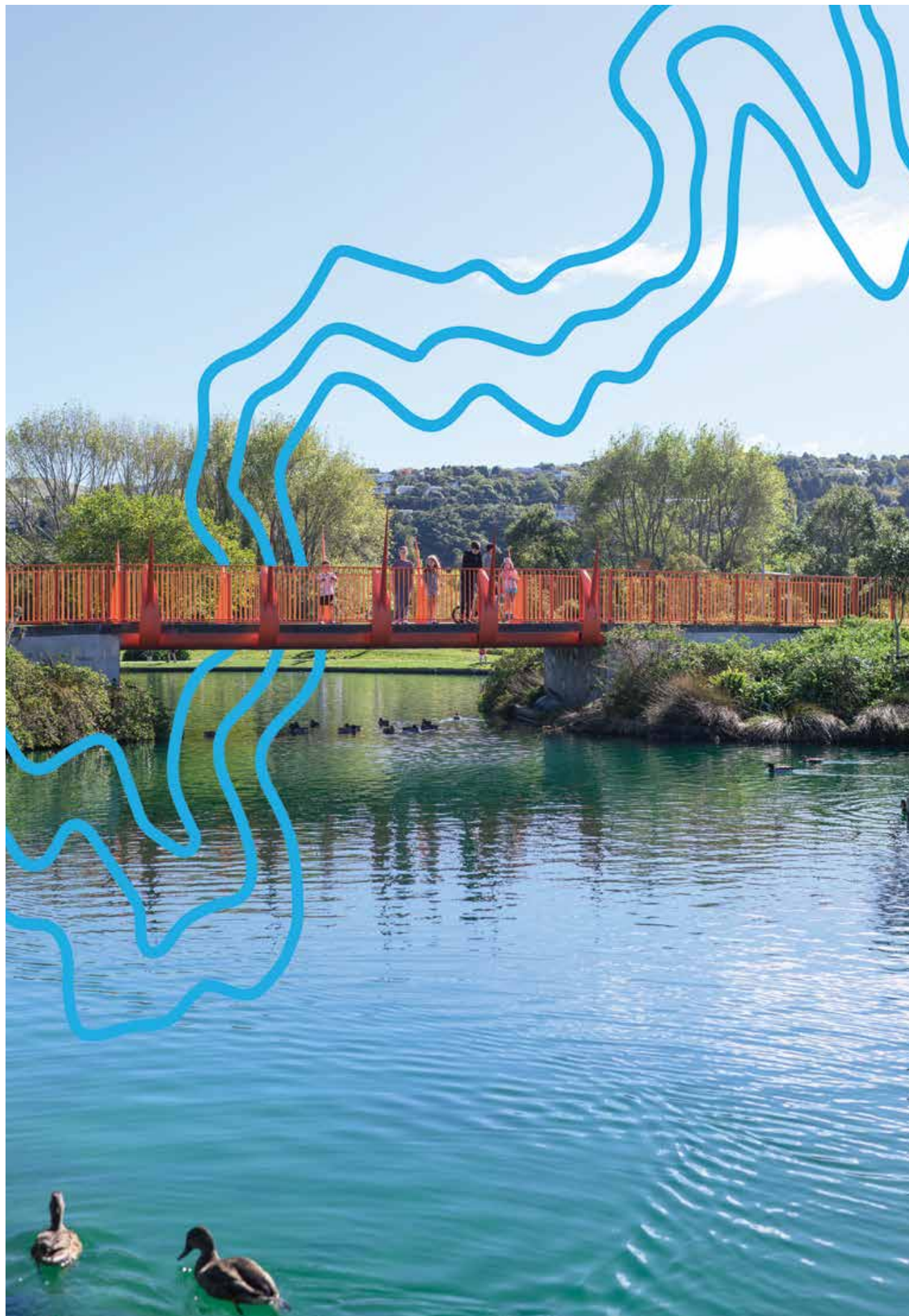
¹ Capital expenditure relates to expenditure on property development projects. These properties are developed for sale and held as inventory rather than being capitalised at completion. This expenditure includes interest expenses.

² Operational expenditure excludes cost of commercial development sales.

³ Homestar™ is an independent rating tool for assessing the health, efficiency, and sustainability of homes.

Measure	Target	Achieved	Target	Achieved
	2024	2024	2023	2023
A pre-tax return of not less than 20% on Development Costs including Contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).	20%	N/A No housing was released to the market during the year to 30 June 2024.	20%	Achieved No housing was released to the market during the year to 30 June 2023.
A pre-tax return of not less than 15% on Development Costs including Contingency on housing released to market as 'Affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2024.	15%	N/A No housing was released to the market as 'Affordable' during the year to 30 June 2023.
Value of divestment to Community Housing Providers (or socially- likeminded organisations) set at each project's Development Cost (includes contingency and GST) plus a margin of no less than 12.5% (except where the Board and Shareholder agree otherwise to achieve specified objectives).	12.5%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2024.	12.5%	N/A No divestments to Community Housing Providers were made during the year to 30 June 2023.
Long-term public rental accommodation pre-tax returns at no less than (or equal to) 3.5% after depreciation ⁴ .	3.5%	N/A We completed 5 long term public rental accommodation in June 2024, but they were untenanted.	3.5%	N/A No long-term rental accommodation was developed during the year to 30 June 2023.

⁴ Returns are specific to each project's (Board Approved) business case where long-term market rentals are developed. Future rents are set per independent annual review.



Wellington Water Limited

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

Council's objective for this company is for it to manage the provision of water services to Te Awa Kairangi ki Tai Lower Hutt and other shareholding councils.

Nature and scope of its activities

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

Note: key performance measures are also reported in the relevant activity sections of this Annual Report (Water Supply, Wastewater and Stormwater). The performance results that follow are key metrics extracted from the Wellington Water Limited 2023-24 Annual Report.

Wellington Water performance measurement systems

The following notes relate to performance measures outlined on pages 46,51, 56+ and 118-122 of the Annual Report.

We outsource the management of our three waters infrastructure to Wellington Water Ltd (WWL). This includes the gathering of information to support the reporting of council performance measures in these areas.

WWL's Annual report received an unmodified audit opinion from Audit New Zealand on the financial statements and a qualified opinion in respect of performance information. The qualified opinion is in respect of two matters, being the accuracy of determining water loss and the recording of complaints. In respect of water loss calculations, a change in methodology more accurately assesses water loss for the 30 June 2024 financial year but cannot be directly compared with the previous year. With the recording of complaints (in HCC terminology requests for service) there is concern that HCC does not adequately record multiple requests for the same issue. This matter will be addressed as part of the Go Digital Programme when the Confirm system is replaced, which is expected to occur in 2024.

Key performance indicators

Wellington Water Limited

Water supply

Measure	Target 2023-24	Achieved 2021-22	Achieved 2022-23	Achieved 2023-24	Year End vs Target 2023-24	Variance reason
Standards						
We want to ensure our community has access to a safe, clean, reliable water supply						
Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria).	Full Compliance -100%	Full Compliance -100%	Non-compliant	Non-compliant	×	<p>New rules introduced by Taumata Arowai in 2022 required an increase to a value known as a 'Ct' that is determined from the amount of chlorine added to drinking water and the time that it must spend in contact with the water before reaching consumers.</p> <p>The change means the water supplied from the Waterloo Treatment Plant is not compliant for up to 800 Lower Hutt households located near the Treatment Plant. These customers receive water that has not travelled through the network for a long enough period to have the right amount of contact with chlorine to meet the new rules.</p> <p>Work done to date includes looking at rezoning some properties to be supplied from other areas of the network by constructing new assets including pipes, valves and pump stations. Construction work is due to start soon. This work is ongoing, and we estimate that it could take up to two years before we can achieve full compliance. Until this work is completed, we will be reporting non-compliance for the Drinking Water Quality Assurance (treatment) rules.</p> <p>In the interim, we are continuing with our regular monitoring of the drinking water from the bores supplied from the Waiwhetu aquifer, as well as at the Waterloo Water Treatment Plant and locations within the drinking water network. The results show the water is safe to drink.</p>
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria).	Full Compliance - 100%	Full Compliance - 100%	Non Compliant	Non Compliant	×	
Number of complaints for drinking water per 1000 connections.	≤ 20	24.3	26.1	31.7	×	<p>Our region faces significant challenges with aging infrastructure. Many water assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address issues that impact our customers.</p>

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Residents satisfaction with the water supply service they receive.	≥ 90%	83%	73%	57%	×	Satisfaction with the water supply resident's receive has decreased in 2024 compared to 2023 residents raised concerns about the lack of effective communication during water outages, suggesting the need for better notification methods, such as loudspeakers in the streets
Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	114 mins (Restated) (66 mins as reported)	98 mins	101 mins	×	Our region faces significant challenges with aging infrastructure. Many water assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues. Increased level of investment from the council in finding and fixing leaks should have a positive impact on non-urgent response times in the coming year.
Resolution of urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption.	≤ 8 hours	18.3 hours (Restated) (3 hours as reported)	6.7 hours	4.6 hours	✓	
Attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site.	≤ 72 hours	193 hours (Restated) (92.4 hours as reported)	548 hours	191 hours	×	Our region faces significant challenges with aging infrastructure. Many water assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues. Increased level of investment from the council in finding and fixing leaks should have a positive impact on non-urgent response times in the coming year.
Resolution of non-urgent callouts: from the time that the local authority receives notification to the time that service personnel confirm resolution of the fault or interruption	≤ 20 working days	11 working days (Restated) (3 working days as reported)	23 working days	16 working days	✓	

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
We need to ensure we have a sustainable water supply for the future						
Average drinking water consumption per resident per day.	≤ 385 litres	381 litres	410 litres	422 litres	×	<p>The average amount of drinking water used per person in Hutt City has stayed the same over the last two quarters, thanks to good leak management and plans to handle summer water risks.</p> <p>However, overall water use in the metro area is increasing, mostly because people in Wellington City are using more. We are pushing for more investment in reducing water loss and upgrading water networks across metro councils. Future investments in smart meters and increasing water sources will be important to keep up with supply and demand.</p>
Percentage of real water loss from networked reticulation system.	≤ 20%	20%	37%	35%	×	<p>The estimated annual average water loss on the Lower Hutt public network for FY23/24 is 35%, down 2% from FY22/23 (37%). The methodology used is the same as the previous year so we have confidence that there has been a genuine reduction in water loss, although there remains significant uncertainty with the true extent of water loss due to the lack of universal metering.</p> <p>Demand stayed relatively steady from July 2023 to February 2024, and has fallen approximately 1% from March to June 2024, in line with increased investment in leak repairs. This means the average year-on-year increase in demand per capita has slowed from 7% in the previous financial year to 2.9% in 2023/24.</p>

Wastewater

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023-24	2021-22	2022-23	2023-24	2023-24	
Standards						
It is critical our community is not exposed to any health or environmental risks associated with wastewater, by providing a safe, reliable, quality wastewater network						
Dry weather wastewater overflows per 1000 connections.	≤ 20	3.6	5.3	1.7	✓	
Number of complaints per 1000 connections.	≤ 30	2.6	22.1	24.1	✓	
Residents satisfaction with the wastewater service they receive.	≥ 90%	78%	72%	61%	✗	Residents raised concerns about smell from the wastewater treatment plants and streams across Hutt

Attendance time

Where the territorial authority attends to sewerage overflows resulting from a blockage or other fault in the territorial authority's sewerage system, the following median response times:

Attendance time: from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 90 minutes	1,154 mins (Restated) (196 mins as reported)	593 mins	159 mins	✗	Our region faces significant challenges with aging infrastructure. Many assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues.
Resolution time: from the time that the territorial authority receives notification to the time that service personnel confirm resolution of the blockage or other fault.	≤ 8 hours	25.8 hours (Restated) (20.3 hours as reported)	35 hours	12.4 hours	✗	Our region faces significant challenges with aging infrastructure. Many assets are near, or at the end of their operational lives, and the cost and effort to maintain and replace them is growing. These challenges mean that we exceeded targets again this year as we work to address these issues.
Compliance with resource consents for discharges from wastewater system.	No enforcement action	3	5	15	✗	<p>In 2023 we received a significant number of odour complaints relating to operations at the Seaview Wastewater Treatment Plant, and in June, undertook an investigation into the causes. This resulted in a piece of work to replace the biofilter media at the plant, which took longer than expected but was completed in January.</p> <p>The odour was particularly problematic while these improvements were being made and resulted in Hutt and Upper Hutt City Councils receiving 12 infringement notices for breach of an odour abatement notice during Q2 with an additional 12 infringement notices for breach of the RMA (for odour) issued to Wellington Water and Veolia (for a total of 24 respectively). The plant is now operating as designed and the odour is compliant, although we appreciate that it is still not at the standard that is acceptable to the community. Additional work on the odour treatment system has been brought forward through the Council's LTP process and will be completed over the next two years.</p> <p>An additional notice was received for non-compliant wastewater quality in Q2, with two each for WWL and Veolia.</p>

Stormwater

Measure	Target	Achieved	Achieved	Achieved	Year End vs Target	Variance reason
	2023–24	2021–22	2022–23	2023–24	2023–24	
Standards						
We want to ensure our community can enjoy recreational assets						
Achieve water quality at main recreational beaches: percentage of days that monitored beaches are suitable for recreational use during bathing season – 1 Dec to 31 Mar.	100%	100%	100%	100%	✓	
We want to ensure our City has a safe, reliable, quality stormwater system						
Number of flooding events (where stormwater enters a habitable floor).	≤ 2	2	0	0	✓	
Number of habitable floors affected by flooding events (per 1000 connections).	≤ 0.24	0.27	0	0	✓	
Number of complaints about stormwater system performance (per 1000 connections).	<20	14.3	18.2	8.5	✓	
Residents satisfaction with the City's stormwater system.	≥ 70%	60%	51%	51%	✗	Satisfaction of City's stormwater has remained consistent with 2023 results. Residents cited their concerns about frequent flooding and blocked drains, prompting doubts about the adequacy of drainage during flooding episodes.
Median response time to attend a flooding event, measured from the time that the territorial authority receives notification to the time that service personnel reach the site.	≤ 480 minutes	4,261 minutes	0 minutes	0 minutes	✓	
Compliance with resource consents for discharges from stormwater system (number of abatement notices, infringement notices, enforcement orders and convictions).	Full compliance (0 notices)	0	0	0	✓	



Hō mātou pūtea

Our finances

3



Tauākī Tūtohu

Statement of compliance

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



Campbell Barry

Koromatua o Te Awa Kairangi ki Tai
Mayor of Lower Hutt

29 October 2024



Jo Miller

Tumu Whakarae
Chief Executive

29 October 2024

Pūrongo Kaitātari Kaute

Independent Auditor's report

Tauākī pūtea

Financial statements

Statement of comprehensive revenue and expenses

For the year ended
30 June 2024

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Revenue						
Rates	3.	156,488	155,612	140,258	156,069	139,875
Fees, charges and metered water supply	4.	60,290	58,578	53,212	65,825	58,617
Development and financial contributions		8,796	4,985	8,642	8,798	8,635
Subsidies and grants	4.	48,709	73,782	33,091	48,709	33,091
Finance income	5.	6,396	3,238	1,492	5,225	1,051
Other revenue	4.	7,533	7,248	12,192	7,508	12,406
Revenue from the sale of commercial developments		-	-	-	-	9,304
Gain on revaluation of financial instruments	6.	-	-	3,613	-	3,613
Gain on disposal	6.	354	-	-	299	-
Total revenue		288,566	303,443	252,500	292,433	266,592
Expenses						
Employee costs	7.	49,499	45,371	45,615	51,293	47,253
Other expenses	8.	147,968	150,233	135,677	151,285	145,976
Finance costs	5.	21,663	17,069	11,197	21,666	11,197
Loss on disposal	6.	-	-	436	-	442
Loss on revaluation of financial instruments	6.	1,586	-	-	1,586	-
Depreciation and amortisation costs	14-16.	54,607	55,269	47,716	55,845	49,078
Total expense		275,323	267,942	240,641	281,675	253,946
Share of associate's surplus/(deficit)	17.	-	-	-	807	(300)
Surplus/(deficit) before tax		13,243	35,501	11,859	11,565	12,346
Income tax expense/(benefit)	9.	97	-	68	548	348
Surplus/(deficit) after tax (attributed to Hutt City Council)		13,146	35,501	11,791	11,017	11,998
Other comprehensive revenue and expenses						
<i>Items that will not be reclassified to surplus/(deficit)</i>						
Gain/(losses) on property revaluations	24.	1,421,624	-	-	1,423,554	(3,729)
Deferred tax on revaluation	9.	-	-	-	(1,753)	844
Total other comprehensive revenue and expenses		1,421,624	-	-	1,421,801	(2,885)
Total comprehensive revenue and expenses (attributed to Hutt City Council)		1,434,770	35,501	11,791	1,432,818	9,113

Explanations of the major variances against budget are provided in note 29.

The accompanying notes form an integral part of these Financial Statements.

Statement of changes in equity

For the year ended
30 June 2024

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Balance at 1 July		1,604,757	1,592,828	1,592,966	1,664,318	1,655,205
Total comprehensive revenue and expenses for the year		1,434,770	35,501	11,791	1,432,818	9,113
Balance at 30 June	24.	3,039,527	1,628,329	1,604,757	3,097,136	1,664,318

Explanations of the major variances against budget are provided in note 29.

The accompanying notes form an integral part of these Financial Statements.

Statement of financial position

As at 30 June 2024

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Assets						
Current assets						
Cash and cash equivalents	10.	30,456	23,832	10,245	40,665	36,950
Debtors and other receivables	11.	47,316	21,264	34,427	47,376	34,571
Inventories	13.	2,250	2,981	1,706	27,188	14,003
Derivative financial instruments	12.	3	-	-	3	-
Prepayments		7,983	5,639	5,320	8,257	5,319
Accrued interest		59	266	12	66	16
Other financial assets	18.	-	-	10,000	-	10,000
Non-current assets held for sale		-	1,524	-	-	-
Total current assets		88,067	55,506	61,710	123,555	100,859
Non-current assets						
Property, plant and equipment	14.	3,253,427	1,962,377	1,761,167	3,323,671	1,828,001
Intangible assets	15.	628	5,100	795	629	799
Assets under construction	14.	201,611	58,721	152,379	203,461	154,613
Investment property		-	-	-	3,734	3,721
Derivative financial instruments	12.	4,092	2,648	5,609	4,092	5,609
Non-current receivable		1,083	964	1,021	1,083	1,021
Investment in associate	17.	200	200	200	1,388	581
Other financial assets	18.					
– Investment in CCO's and other similar entities		62,254	76,753	58,272	12,009	8,027
– Investment in other entities		455	455	455	455	455
Total other financial assets		62,709	77,208	58,727	12,464	8,482
Total non-current assets		3,523,750	2,107,218	1,979,898	3,550,522	2,002,827
Total assets		3,611,817	2,162,724	2,041,608	3,674,077	2,103,686
Liabilities						
Current liabilities						
Borrowings	20.	40,000	48,393	70,000	40,000	70,000
Creditors and other payables	19.	36,806	29,700	45,018	37,296	45,352
Employee entitlements	21.	5,335	5,206	4,504	5,457	4,646
Income tax payable	9.	97	-	68	97	449
Other liabilities	23.	8,437	6,506	5,646	8,762	5,798
Total current liabilities		90,675	89,805	125,236	91,612	126,245

As at 30 June 2024

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Non-current liabilities						
Borrowings	20.	470,700	435,532	300,700	470,700	300,700
Employee entitlements	21.	442	372	401	492	450
Derivative financial instruments	12.	84	663	11	84	11
Provisions – non current	22.	10,390	8,023	10,503	10,390	10,503
Deferred tax liability	9.	-	-	-	3,663	1,458
Total non-current liabilities		481,616	444,590	311,615	485,329	313,122
Total liabilities		572,291	534,395	436,851	576,942	439,368
Net assets (assets minus liabilities)		3,039,527	1,628,329	1,604,757	3,097,136	1,664,318
Equity						
Accumulated funds	24.	721,205	733,094	711,898	733,754	726,576
Reserves	24.	2,318,322	895,235	892,859	2,363,382	937,742
Total Equity (attributable to Hutt City Council)		3,039,527	1,628,329	1,604,757	3,097,136	1,664,318

Explanations of the major variances against budget are provided in note 29.

The accompanying notes form an integral part of these Financial Statements.

Statement of cash flows

For the year ended
30 June 2024

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash flows from operating activities						
Cash was provided from:						
Receipts from rates and levies – Council		154,050	155,612	138,471	153,631	138,088
Receipts from rates and levies – Greater Wellington Regional Council *		45,712	36,916	38,678	45,712	38,678
Receipts from user charges and other income		110,907	143,486	90,649	104,168	101,272
Receipts from sales of commercial developments		-	-	-	-	9,304
Interest received		6,137	3,238	1,827	4,963	1,382
Dividends		207	204	-	7	-
		317,013	339,456	269,625	308,481	288,725
Cash was applied to:						
Payments to employees		(48,668)	(45,371)	(46,317)	(50,439)	(47,901)
Payments to suppliers		(156,734)	(150,233)	(133,485)	(160,102)	(137,611)
Purchase of inventory held for commercial development		-	-	-	-	(7,561)
Interest paid		(18,858)	(17,069)	(9,374)	(18,861)	(9,374)
Net GST paid to Inland Revenue **		(137)	-	(2,602)	(137)	(2,602)
Rates and levies passed to Greater Wellington Regional Council *		(44,665)	(36,916)	(37,940)	(44,665)	(37,940)
		(269,062)	(249,589)	(229,718)	(274,204)	(242,989)
Net cash flows from operating activities		47,951	89,867	39,907	34,277	45,736
Cash flows from investing activities						
Cash was provided from:						
Receipts from sale of property, plant and equipment		614	436	30	957	16
Other investment receipts		11,480	-	667	11,480	667
		12,094	436	697	12,437	683
Cash was applied to:						
Purchase of property, plant and equipment		(178,084)	(190,602)	(143,929)	(181,248)	(145,295)
– less Upper Hutt City Council capital contribution		3,500	6,788	8,505	3,500	8,505
Purchase of intangible assets		-	(3,982)	-	-	-
Other payments and investments		(5,250)	(21,000)	(33,767)	(5,250)	(13,767)
		(179,834)	(208,796)	(169,191)	(182,998)	(150,557)
Net cash flows from investing activities		(167,740)	(208,360)	(168,494)	(170,561)	(149,874)

For the year ended
30 June 2024

	Notes	Council			Group	
		Actual	Budget	Actual	Actual	Actual
		2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash flows from financing activities						
Cash was provided from:						
Proceeds from borrowings		210,000	155,036	150,700	210,000	150,700
Cash was applied to:						
Repayment of borrowings		(70,000)	(36,543)	(35,700)	(70,000)	(35,700)
Net cash flows from financing activities		140,000	118,493	115,000	140,000	115,000
Net increase/(decrease) in cash, cash equivalents and bank overdrafts		20,211	-	(13,587)	3,716	10,862
Cash, cash equivalents and bank overdrafts at the beginning of the year		10,245	23,832	23,832	36,949	26,087
Cash, cash equivalents and bank overdrafts at the end of the year	10.	30,456	23,832	10,245	40,665	36,949

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

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

Explanations of the major variances against budget are provided in note 29.

The accompanying notes form an integral part of these Financial Statements.

Reconciliation of surplus after tax with cash flows from operating activities

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Surplus after tax	13,146	11,791	11,017	11,998
Add/(less) non-cash items:				
Depreciation and amortisation	54,607	47,716	55,845	49,078
Share of associates (surplus)/deficit	-	-	(807)	300
Net bad debts/impairment expense	221	(1,265)	269	(1,251)
(Gain)/Loss on revaluation of financial instruments	1,586	(3,613)	1,586	(3,613)
Landfill provision	(113)	1,956	(113)	1,956
Vested Assets	(3,912)	(9,077)	(3,912)	(9,077)
Income tax expense	97	68	548	348
Add/(less) movements in working capital:				
(Increase)/decrease in accounts receivable and other assets	(16,302)	(9,993)	(29,309)	(5,108)
Increase/(decrease) in creditors	(5,127)	2,790	(4,971)	2,710
Increase/(decreased) in provisions and other liabilities	3,622	(996)	3,775	(972)
Increase in deferred tax liability	126	94	648	(1,075)
Add/(less) items classified as investing activities:				
Surplus on sale of property, plant and equipment and other movements	-	436	(299)	442
Net cash inflows from operating activities	47,951	39,907	34,277	45,736

Reconciliation of borrowing cash flows from financing activities

	Council and Group			
	2023 \$000	Cash Flows \$000	Non-Cash changes \$000	2024 \$000
	Opening	Movements	Movements	Closing
Current borrowing	70,000	(70,000)	40,000	40,000
Non-current borrowing	300,700	210,000	(40,000)	470,700
Total Liabilities from Financing activities	370,700	140,000	-	510,700

The accompanying notes form an integral part of these Financial Statements.

Āpiti hanga tauākī pūtea

Notes to the financial statements

1. Statement of accountings policies

Reporting entity

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

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

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

The reporting date of council, CCOs and the associate is 30 June.

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

The financial statements of council and group are for the year ended 30 June 2024. The financial statements were authorised for issue by council on 29 October 2024

Basis of preparation

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

Statement of compliance

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

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

Presentation currency and rounding

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

Standards issued and not effective and not early adopted

Standards and amendments that have been issued but are not yet effective and that have not been early adopted and that are relevant to the group are:

2022 Omnibus Amendments to PBE Standards

This Standard has been issued to amend the relevant Tier 1 and Tier 2 PBE Standards as a result of:

- PBE IPSAS 16 Investment Property: The amendments clarify that fair value measurement of self-constructed investment property could begin before the construction is completed.
- PBE IPSAS 17 Property, Plant and Equipment: The amendments change the accounting for any net proceeds earned while bringing an asset into use by requiring the proceeds and relevant costs to be recognised in surplus or deficit rather than being deducted from the asset cost recognised.
- PBE IPSAS 30 Financial Instruments: Disclosures: The amendment specifically refers to disclosing the circumstances that result in fair value of financial guarantee contracts not being determinable.
- PBE IPSAS 19 Provisions, Contingent Liabilities and Contingent Assets: The amendments clarify the costs

of fulfilling a contract that an entity includes when assessing whether a contract will be loss-making or onerous (and therefore whether a provision needs to be recognised).

The changes are for financial statements covering periods beginning on or after 1 January 2023.

Changes in accounting policies

PBE IPSAS 41 Financial Instruments

In March 2019, the External Reporting Board (XRB) issued PBE IPSAS 41 Financial Instruments which supersedes both PBE IFRS 9 Financial Instruments and PBE IPSAS 29 Financial Instruments: Recognition and Measurement. Council and group have adopted PBE IPSAS 41 for the first time this year. There has been little change as a result of adopting the new standard, because the requirements are similar to those contained in PBE IFRS 9.

PBE FRS48 Service Performance Reporting

This Standard establishes new requirements for the selection and presentation of service performance information. Council and group have adopted PBE FRS 48. The main changes between PBE FRS 48 and PBE IPSAS 1 Presentation of Financial Statements is that PBE FRS 48 requires additional information to be disclosed on the judgements that have the most significant effect on the selection, measurement, aggregation and presentation of service performance information. This is disclosed in section 2 of this report.

Other changes in accounting policies

There have been no other changes in accounting policies.

Summary of significant accounting policies

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

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

Basis of consolidation

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

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

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

Foreign currency transactions

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

Goods and services tax (GST)

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

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

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

Commitments and contingencies are disclosed exclusive of GST.

Budget figures

The budget figures presented in these financial statements are those approved by council in its Annual Plan 2023-2024. The budget figures have been prepared in accordance with NZ GAAP using accounting policies adopted by council for the preparation of these financial statements.

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

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

Critical accounting estimates and assumptions

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

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

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the year ended 30 June 2024 in relation to the classification of pensioner housing – refer to note 14: Property, plant and equipment.

The New Zealand Government is implementing a water services reform programme "Local Water Done Well" that is intended to ensure all New Zealanders have safe, clean and affordable water services. The Government believes this will be achieved by establishing new council controlled entities to take on the delivery of drinking water, wastewater and stormwater services across New Zealand. Hutt City Council continues to recognise its three waters assets at 30 June 2024 in accordance the accounting policies set out in note 14. There has been no adjustment in these financial statements to reflect the expected future transfer of assets to the new water entity. It is expected central government will develop details around the mechanism for the transfer of the water assets. As further details are established this may require adjustments to Council's three water assets either in respect of disclosure or measurement.

2. Summary revenue and expenditure for group of activities

Accounting Policy

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

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

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

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

Breakdown of summary revenue and expenditure for group of activities

	Council		
	Actual	Budget	Actual
	2024 \$000	2024 \$000	2023 \$000
Revenue			
Environmental wellbeing			
Water Supply	7,825	6,001	6,448
Wastewater	7,732	5,338	8,515
Stormwater	1,095	3,272	2,081
Solid waste	30,979	30,698	26,447
Sustainability and resilience	2,451	2,357	1,295
Regulatory services	9,819	10,051	9,694
Economic wellbeing			
Transport	40,683	50,627	32,024
City development	1,457	6,061	519
Social and cultural wellbeing			
Community partnering and support	1,765	1,482	1,366
Open spaces, parks, and reserves	6,211	4,267	7,168
Connectivity, creativity, learning and recreation	13,080	22,388	8,534
Governance, strategy and partnerships	-	-	197
Corporate Services	8,981	4,413	7,954
Total activity revenue	132,078	146,955	112,242
General rates	95,014	95,014	85,998
Targeted rates	61,474	61,474	54,260
Total revenue	288,566	303,443	252,500

	Council		
	Actual	Budget	Actual
	2024 \$000	2024 \$000	2023 \$000
Expenditure			
Environmental wellbeing			
Water Supply	35,617	34,661	27,904
Wastewater	34,329	36,061	27,788
Stormwater	13,877	12,721	11,393
Solid waste	29,937	31,368	28,555
Sustainability and resilience	3,665	3,717	3,507
Regulatory services	20,996	16,135	16,612
Economic wellbeing			
Transport	46,882	44,771	44,400
City development	11,313	15,413	11,583
Social and cultural wellbeing			
Community partnering and support	12,138	11,829	11,599
Open spaces, parks, and reserves	22,066	21,995	20,568
Connectivity, creativity, learning and recreation	32,548	30,915	31,041
Governance, strategy and partnerships	7,077	7,201	7,612
Corporate Services	4,878	1,155	(1,919)
Total activity expenditure	275,323	267,942	240,641
Total operating expenditure	275,323	267,942	240,641
Surplus/(deficit) before tax	13,243	35,501	11,859

3. Rates revenue

Accounting Policy

Rates revenue is measured at fair value.

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

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

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

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

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

Breakdown of rates and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
General rates	95,014	85,998	94,595	85,615
Targeted rates attributable to activities:				
– Water supply (excluding metered water supply rates)	22,877	20,374	22,877	20,374
– Wastewater	26,279	23,404	26,279	23,404
– Recycling	4,587	3,914	4,587	3,914
– Refuse collection	7,080	5,939	7,080	5,939
– Green waste collection	493	475	493	475
– Jackson street programme	158	154	158	154
Total rates (excluding metered water supply rates)	156,488	140,258	156,069	139,875

Council is required by the LGFA Guarantee and Indemnity Deed to disclose in its financial statements (or notes) its annual rates income. The Multi-Issuer Deed defines annual rates income as an amount equal to the total revenue from any funding mechanism authorised by the Local Government (Rating) Act 2002 together with any revenue received by Council from other authorities for services provided by that council for which those other local authorities rate. The annual rates income for the council for the year ended 30 June 2024 for the purposes of the LGFA Guarantee and Indemnity Deed disclosure is reflected in the table above.

Rates remissions

Council's rate remission policy (set out in detail in the Long Term Plan 2021–2031) allows Council to remit rates on condition of a ratepayer's extreme financial hardship, land used for sport, a hospital and land protected for historical or cultural purposes, provided the property is used for community benefit and not for surplus. Rates remissions can also be considered for economic development reasons or where privately owned land is protected for conservation purposes.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Total gross rates, excluding targeted water supply rates	157,014	140,719	156,595	140,336
Rates remissions:				
– Pan remissions	380	352	380	352
– Penalty remissions	89	60	89	60
– Sports bodies and other	48	46	48	46
– Remission of targeted rates	6	3	6	3
– Special circumstances	3	–	3	–
Total rates remissions	526	461	526	461
Rates (net of remissions), excluding metered water supply rates	156,488	140,258	156,069	139,875

4. User charges and subsidies received

Accounting policy

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

Rental revenue

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

Water-by-Meter

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

Parking fees and fines

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

Building and resource consent revenue (regulatory revenue)

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

Entry fees

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

Landfill fees (solid waste collection and disposal)

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

Waka Kotahi NZ Transport Agency subsidies

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

Other grants received

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

Development and financial contributions

Development and financial contributions are recognised as revenue when the council provides, or is able to provide, the service or an equivalent service for which the contribution was charged.

Vested assets

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

Sales of goods

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

Breakdown of user charges and subsidies received

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Fees, charges and metered water supply				
Rent	2,872	2,689	8,438	8,115
Water by meter	4,385	3,361	4,354	3,340
Parking fees	2,216	1,842	2,216	1,842
Service and entry fees	4,376	4,041	4,376	4,041
Solid waste collection and disposal	31,069	26,515	31,069	26,515
Other user charges	497	403	497	403
Regulatory revenue	10,150	10,148	10,150	10,148
Penalties	4,725	4,213	4,725	4,213
Total fees, charges and metered water supply	60,290	53,212	65,825	58,617
Subsidies and grants				
Waka Kotahi subsidies	16,384	13,996	16,384	13,996
Upper Hutt City Council	3,409	2,861	3,409	2,861
Other grants	28,916	16,234	28,916	16,234
Total subsidies and grants	48,709	33,091	48,709	33,091
Other revenue				
Dividends	207	5	7	5
Vested assets	3,912	9,077	3,912	9,077
Petrol tax	398	317	398	317
Sale of goods	601	417	958	738
Miscellaneous revenue	2,415	2,376	2,233	2,269
Total other revenue	7,533	12,192	7,508	12,406

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

Included in "Other grants" to June 2024, is \$6.9M (2023: \$4.1M) funding for Naenae Pool and Fitness Centre and \$12.3M (2023: \$7.2M) funding for Eastern Bay Shared Pathway.

5. Finance income and finance costs

Accounting policy

Interest / finance income is recognised using the effective interest method.

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

Breakdown of finance income and finance costs

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Finance income				
Interest revenue				
– call and term deposits	4,140	558	5,225	1,051
– related party loans	2,256	934	–	–
Total finance income	6,396	1,492	5,225	1,051
Finance costs				
Interest expense				
– interest on borrowings	21,138	10,770	21,141	10,770
– discount unwind on provisions (note 22)	525	427	525	427
Total finance costs	21,663	11,197	21,666	11,197
Net finance costs	15,267	9,705	16,441	10,146

6. Gains and losses

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Non-financial instruments				
Property, plant and equipment gains/(losses) on disposal	354	(436)	299	(442)
Total non-financial instruments gains/(losses)	354	(436)	299	(442)
Financial instruments				
Gains/(losses) on held for derivative financial instruments:				
– interest rate swaps	(1,586)	3,613	(1,586)	3,613
Total financial instruments gains/(losses)	(1,586)	3,613	(1,586)	3,613
Total gains/(losses)	(1,232)	3,177	(1,287)	3,171

7. Employee costs

Accounting policy

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

Superannuation schemes

Defined contribution schemes

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Salaries and wages	44,679	43,231	46,358	44,716
Defined contribution plan employer contributions	1,278	1,198	1,320	1,239
Increase/(decrease) in employee entitlements/liabilities (refer note 21)	872	(673)	854	(648)
Other employee costs	2,670	1,859	2,761	1,946
Total employee costs	49,499	45,615	51,293	47,253

The Chief Executive received the following remuneration:

	2024			2023		
	Salary \$	Post Employment Benefits \$	Total Remuneration \$	Salary \$	Post Employment Benefits \$	Total Remuneration \$
Chief Executive	423,087	12,659	435,746	409,899	12,264	422,163

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

Employee staffing levels and remuneration

	Council		Group	
	2024	2023	2024	2023
Full-time equivalent salaried employees	507	480	519	494
Full-time equivalent waged and temporary employees	31	40	31	40
Total Full Time Equivalent	538	520	550	534
Total number of staff	674	650	686	665

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

The number of employees earning per annum

	Council		Group	
	2024	2023	2024	2023
Salary range				
\$200,000 – \$449,999	7	6	8	7
\$180,000 – \$199,999	5	3	5	3
\$160,000 – \$179,999	6	7	9	10
\$140,000 – \$159,999	25	12	26	14
\$120,000 – \$139,999	49	36	50	36
\$100,000 – \$119,999	74	47	74	47
\$80,000 – \$99,999	94	100	96	102
\$60,000 – \$79,999	151	134	154	140
Less than \$59,999	263	305	264	306
Total	674	650	686	665

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

Transactions with key management personnel

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

	Council & Group	
	2024 \$000	2023 \$000
Key management personnel costs		
Salary and other short term benefits	1,478	1,439
Post-employment benefits	44	36
Total key management personnel costs	1,522	1,475
Total full time equivalent	5	5

Severance payments

Severance payments include any consideration (monetary and non-monetary) provided to any employee in respect of the employee's agreement to the termination of their employment with council. Severance payments exclude any final payment of salary, holiday pay and superannuation contributions or other contractual entitlements.

	Council		Group	
	2024 \$	2023 \$	2024 \$	2023 \$
Severance payments	33,795	900	33,795	900
Number of employees	2	1	2	1

In accordance with Schedule 10, Section 33 of the Local Government Act 2002, council is required to disclose the number of employees who received severance payments during the year and the amount of each severance payment made.
The value of the severance payments for the current year were \$3,750 and \$30,045 (2023: \$900).

8. Operating costs

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Auditors' fees – Audit New Zealand				
– for auditing the financial statements	291	255	388	355
– for auditing the Long Term Plan	123	-	123	-
Auditors' fees – other auditors	27	2	41	6
Impairment of receivables	1,019	(673)	1,066	(656)
Directors' fees	-	-	184	163
Entertainment	(17)	8	(17)	8
Grants	5,334	5,145	5,334	5,145
Insurance	4,611	4,684	5,145	5,151
Inventories	1,353	2,240	1,640	9,986
Legal services	480	265	495	294
Other specialist services	15,593	15,712	15,729	16,034
Councillors remuneration	1,064	1,001	1,063	941
Minimum lease payments under operating leases	588	756	745	956
Operational contracts	34,543	33,604	34,786	33,789
Maintenance	14,570	13,863	15,677	14,486
GWRC bulk water charges	14,309	11,328	14,309	11,328
Energy costs	3,527	3,610	3,591	3,643
Other expenses	50,553	43,877	50,986	44,347
Total operating costs	147,968	135,677	151,285	145,976

The Remuneration Authority is responsible for setting the remuneration levels for elected members. Elected representatives received the following remuneration:

		Council	Group		Council	Group	
		2024			2023		
		Remuneration \$	Directors' fees \$	Total remuneration \$	Remuneration \$	Directors' fees \$	Total remuneration \$
Mayor and councillors							
C Barry	**	164,046	-	164,046	159,669	-	159,669
T Lewis		96,253	14,960	111,213	91,968	8,343	100,311
G Barratt		61,345	-	61,345	61,351	-	61,351
J Briggs		82,489	-	82,489	79,005	-	79,005
K Brown		82,489	14,960	97,449	74,083	11,458	85,541
B Dyer		82,489	-	82,489	75,154	-	75,154
S Edwards		82,489	-	82,489	79,005	-	79,005
D Hislop	Up to Election October 2022	-		-	25,075	2,578	27,653
C Milne	Up to Election October 2022	-	-	-	17,219	-	17,219
A Mitchell		82,489	-	82,489	74,083	-	74,083
K Morgan	From Election October 2022	63,340	-	63,340	44,209	-	44,209
C Parkin	From Election October 2022	63,340	-	63,340	43,987	-	43,987
N Shaw		74,807	-	74,807	70,095	-	70,095
T Stallinger	From Election October 2022	66,746	-	66,746	45,763	-	45,763
L Sutton	Up to Election October 2022	-	-	-	17,219	-	17,219
G Tupou	From Election October 2022	61,345	-	61,345	42,952	-	42,952
Total		1,063,667	29,920	1,093,587	1,000,837	22,379	1,023,216
Total number of representatives		13	2	13	13	2	13

Due to the difficulty in determining the full-time equivalent for councillors this figure is taken as the number of councillors.

Directors' fees: Councillors are appointed to the boards of council controlled organisations (Seaview Marina Ltd and Urban Plus Ltd).

** The Mayor's total remuneration includes the value of benefit from receiving a vehicle.

Under the Local Government Members (2022/23) Determination 2022, councillors may claim a childcare allowance of up to \$6,000 per child under 14 as a contribution towards expenses incurred by the member for childcare provided while the member is engaged on local authority business. They may also claim a communications allowance of \$800 for private internet use and \$500 for private cellphone use.

Council has three Community Boards – Petone, Eastbourne and Wainuiomata. Remuneration paid to the elected members of these Community Boards is as follows:

		2024 \$	2023 \$
Eastbourne Community Board:			
B Moss (Chair)	Chair from 7 December 2022	14,434	10,850
V Horrocks (Chair)	Up to Election October 2022	-	4,060
M Gibbons		7,217	6,971
E Keddell	From Election October 2022	7,217	4,941
N Spedding		7,217	7,077
F Vickers		7,217	6,974
Total		43,302	40,873
Petone Community Board:			
M Fisher (Chair)	Chair from 6 December 2022	17,185	12,275
P Hanna (Chair)	Up to Election October 2022	-	4,834
S Freeman	From Election October 2022	8,592	5,883
M Henderson		8,592	8,300
S Kuresa	From Election October 2022	8,592	5,883
M Roberts		8,592	8,300
A Voutratzis	Up to Election October 2022	-	2,417
K Yung		8,592	8,993
Total		60,145	56,885
Wainuiomata Community Board:			
T A Puketapu (Chair)	From Election October 2022. Chair from 8 December 2022	18,102	11,054
L Bingley	From Election October 2022	9,051	6,197
D Chrisp	From Election October 2022	9,051	6,197
L Clark	From Election October 2022	9,051	6,197
T Harker	Up to Election October 2022	9,051	6,197
G Tupou (Chair)	Up to Election October 2022	-	5,092
D McKinley	Up to Election October 2022	-	2,546
T Stallworth	Up to Election October 2022	-	2,546
G Sue		9,051	8,742
S Tuala-Le'afa	Up to Election October 2022	-	2,546
J Winterburn	Up to Election October 2022	-	2,546
Total		63,357	59,860

On 28 March 2023 Council agreed to pay a home-based technology allowance of \$45 per month to the Community Board Chairs.

9. Taxation

Accounting policy

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

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

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

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

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

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

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

Breakdown of taxes and other information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Components of tax expense				
Current tax expense	97	68	97	668
Adjustments to current tax in prior years	-	-	(3)	(5)
Deferred tax expense	-	-	454	(315)
Tax expense/(benefit)	97	68	548	348
Relationship between tax expense and accounting surplus				
Net surplus/(deficit) before tax	13,243	11,859	11,565	12,346
Tax at 28%	3,708	3,321	3,238	3,457
Plus/(less) tax effect of:				
Non-deductible expenditure	-	-	5	2
Non-taxable revenue	(3,611)	(3,253)	(3,461)	(2,993)
Prior period adjustment	-	-	(3)	(5)
Removal of tax depreciation on buildings	-	-	510	-
Deferred tax adjustment	-	-	259	(113)
Tax expense/(benefit)	97	68	548	348
Deferred tax asset/(liability)				
	Property, plant and equipment	Other provisions	Tax losses	Deferred tax asset/ (liability)
Council				
Balance at 30 June 2022	-	-	-	-
Balance at 30 June 2023	-	-	-	-
Balance at 30 June 2024	-	-	-	-
Group				
Balance at 30 June 2022	(2,667)	51	-	(2,616)
Charged to surplus or deficit	309	6	-	315
Charged to equity	843	-	-	843
Balance at 30 June 2023	(1,515)	57	-	(1,458)
Charged to surplus or deficit	(613)	7	152	(454)
Charged to equity	(1,751)	-	-	(1,751)
Balance at 30 June 2024	(3,879)	64	152	(3,663)

Generally, local authorities are exempt from taxation except for income derived from any Council Controlled Company or port activity per section CW 39 of the Income Tax Act 2007.

Council has unrecognised tax losses available to carry forward of \$nil (2023: \$nil), with a tax effect of \$nil (2023: \$nil).

The Group has unrecognised tax losses available to carry forward of \$nil (2023: \$nil), with a tax effect of \$nil (2023: \$nil).

10. Cash and cash equivalents

Accounting policy

Cash and cash equivalents (current assets) comprise of cash at bank, cash in hand, deposits held at call with banks and other short-term highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and subject to an insignificant risk of changes in value. Overdrafts are included in note 20.

Breakdown of cash and cash equivalents and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash at bank and on hand	28,439	10,245	38,472	36,950
Retention trust account	2,017	-	2,193	-
Cash and Cash Equivalents	30,456	10,245	40,665	36,950

The carrying value of cash at bank and term deposits with maturities less than three months approximate their fair value. The total value of cash and cash equivalents within restricted reserves that can only be used for specified purposes, (as outlined in the relevant trust deeds) is \$59,000 (2023: \$64,000), as shown in note 24. Retention trust account represent balances held on construction contract resulting from legislation changes introduced in the Contractions Contract (Retention Money) Amendment Act 2023. This balance is not available for Council/Group general operations. Cash, cash equivalents noted above and bank overdrafts (note 20) are included for the purposes of the statement of cash flows.

11. Debtors and other receivables

Accounting policy

Debtors and other receivables are initially measured at their face value, less an allowance for expected credit losses.

A receivable is considered to be uncollectable when there is evidence that the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected. Indicators that there are no reasonable expectations of recovery include the debtor being in liquidation or the receivable being more than one year overdue.

Breakdown of debtors and other receivables and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Rates receivable	9,888	7,469	9,888	7,469
Other receivables:				
– Amounts due from related parties (note 26)	448	54	-	-
– GST receivable	4,864	4,727	4,864	4,727
– Other receivables	32,575	22,415	33,151	22,633
Total other receivables	37,887	27,196	38,015	27,360
Gross debtors and other receivables	47,775	34,665	47,903	34,829
Less allowance for credit losses	(459)	(238)	(527)	(258)
Total debtors and other receivables	47,316	34,427	47,376	34,571
Total receivables comprise of:				
Receivables from non-exchange transactions – this includes outstanding amounts for rates, grants, infringements and charges that are partly subsidised by rates	44,838	33,164	45,346	33,363
Receivables from exchange transactions – this includes outstanding amounts for commercial sales and fees and charges that have not been subsidised by rates	2,478	1,263	2,030	1,208
	47,316	34,427	47,376	34,571

Fair value

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

Expected credit losses

Rates receivable

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

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

The Chief Executive has not approved the write-off of any rates receivable during the year as prescribed by Section 90a and 90 B of the LG(R)A 2002 (2023: \$nil).

Other receivables

The carrying amount of receivables that would otherwise be past due or impaired, whose terms have been renegotiated is \$nil (2023: \$nil).

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

Rates receivables

	2024			2023		
	Gross \$000	Losses \$000	Net \$000	Gross \$000	Losses \$000	Net \$000
Rates receivable – council						
Not past due	-	-	-	-	-	-
Past due 1-60 days	8,118	-	8,118	6,050	-	6,050
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	1,770	-	1,770	1,419	-	1,419
Total	9,888	-	9,888	7,469	-	7,469
Rates receivable – group						
Not past due	-	-	-	-	-	-
Past due 1-60 days	8,118	-	8,118	6,050	-	6,050
Past due 61-120 days	-	-	-	-	-	-
Past due >120 days	1,770	-	1,770	1,419	-	1,419
Total	9,888	-	9,888	7,469	-	7,469
Other receivables –council						
Not past due	33,497	-	33,497	22,640	-	22,640
Past due 1-30 days	1,102	-	1,102	2,036	-	2,036
Past due 31-60 days	1,280	-	1,280	1,186	-	1,186
Past due >60 days	2,008	(459)	1,549	1,334	(238)	1,096
Total	37,887	(459)	37,428	27,196	(238)	26,958

	2024			2023		
	Gross \$000	Losses \$000	Net \$000	Gross \$000	Losses \$000	Net \$000
Other receivables – group						
Not past due	33,390	-	33,390	22,689	-	22,689
Past due 1–30 days	1,124	-	1,124	2,063	-	2,063
Past due 31–60 days	1,301	-	1,301	1,206	-	1,206
Past due >60 days	2,200	(527)	1,673	1,430	(258)	1,172
Total	38,015	(527)	37,488	27,360	(258)	27,130
Total receivables – council	47,775	(459)	47,316	34,665	(238)	34,427
Total receivables – group	47,903	(527)	47,376	34,857	(258)	34,571

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

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Individual impairment	459	238	527	258
Collective impairment	-	-	-	-
Total expected credit losses	459	238	527	258

Individually impaired receivables have been determined to be impaired because of the significant financial difficulties being experienced by the debtor and all appear in over 60 days past due. Indications include the debtor being in liquidation or being more than one year overdue.

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Not past due	-	-	-	-
Past due 1–30 days	-	-	-	-
Past due 31–60 days	-	-	-	-
Past due > 60 days	459	238	527	258
Total individual impairment	459	238	527	258

Movements in the allowance for expected credit losses of receivables are as follows:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
At 1 July	238	1,503	258	1,509
Additional allowance made during the year	221	-	269	-
Allowance reversed during the year	-	(1,265)	-	(1,251)
Receivables written-off during the period	-	-	-	-
At 30 June	459	238	527	258

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

12. Derivative financial instruments

Accounting policy

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

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently measured at their fair value at each balance date. As the council and group do not designate its derivative financial instruments as hedging instruments for accounting purposes, the associated gains or losses on derivatives are recognised within surplus or deficit.

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

Breakdown of derivative financial instruments

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current asset portion				
Interest rate swaps – held for hedging	3	-	3	-
<i>Total current asset portion</i>	3	-	3	-
Non-current asset portion				
Interest rate swaps – fair value through surplus or deficit	4,092	5,609	4,092	5,609
<i>Total non-current asset portion</i>	4,092	5,609	4,092	5,609
Total derivative financial instrument assets	4,095	5,609	4,095	5,609
Non-current liability portion				
Interest rate swaps – fair value through surplus or deficit	84	11	84	11
<i>Total non-current liability portion</i>	84	11	84	11
Total derivative financial instrument liabilities	84	11	84	11
Total derivative financial instruments	4,011	5,597	4,011	5,597

Fair value

The fair value of interest rate swaps has been determined using a discounted cash flows valuation technique based on quoted market prices. The interest rates swaps were independently valued at 30 June 2024 by Hedgebook Limited.

Interest rate swaps

The notional principal amounts of the outstanding interest rate swap contracts for council and group were \$133 million (2023: \$133 million). At 30 June 2024, the fixed interest rates of interest rate swaps vary from 1.82% to 5.09% (2023: 1.82% to 5.09%).

13. Inventories

Accounting policy

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

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

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

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

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

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

Emission trading units are held for consumption based on landfill emissions and are valued at net realisable value based on market rates at balance date

Breakdown of inventory and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Commercial inventories held for sale:				
Diesel	-	-	11	13
Emission trading units	2,114	1,649	2,114	1,649
Inventory	136	57	136	57
Commercial property developments	-	-	24,927	12,284
Total inventories	2,250	1,706	27,188	14,003

No inventories are pledged as security for liabilities (2023: \$nil). However, some inventories are subject to retention of title clauses. Commercial inventories are valued at cost, as there are no impairments of inventories.

14. Property plant and equipment

Critical accounting estimates and assumptions

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

- the physical deterioration and condition of an asset: for example, council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets that are not visible: for example, stormwater, wastewater and water supply pipes that are underground. This risk is minimised by council performing a combination of physical inspections and condition modelling assessments of underground assets;
- estimating any obsolescence or surplus capacity of an asset; and
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If useful lives do not reflect the actual consumption of the benefits of the asset, then council could be over or under estimating the annual depreciation charge recognised as an expense in the Statement of Comprehensive Revenue and Expenses. To minimise this risk council's infrastructural asset useful lives have been determined with reference to the New Zealand Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, and deterioration and condition modelling are also carried out regularly as part of the council's asset management planning activities, which gives council further assurance over its useful life estimates.

Experienced independent valuers perform council's infrastructural asset revaluations.

Critical judgements in applying accounting policies

Classification of pensioner housing properties

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

Independent valuer and key assumptions

Water, wastewater and stormwater – Key valuation assumptions;

- Construction costs based on unit rates reflect the costs of replacing assets.
- Useful lives of assets are calculated based on information provided by Wellington Water Limited.
- The capital goods price index (CGPI) was used where indexation where appropriate.
- Due to most assets being below ground, the valuer did not complete physical asset inspections and relied on data provided by Hutt City Council's three waters provider Wellington Water Limited.
- The Council's 3 waters data is under continuous improvement as better information is obtained in the maintenance and replacement of these assets, this work is in progress and further improvements are required. As part of completing the valuation the expert valuer therefore applies professional judgement to aspects of the data where required. The Councils water data has a reliable confidence level.
- The expert valuer also applies professional judgement in determining asset replacement rates, the valuer makes these judgement based on consideration of recent replacement costs, knowledge of the network and other information available at the time of the valuation.

Road – Key valuation assumptions;

- Unit rates for road construction were based on current construction rates applicable to the asset type. Where there was no current contracted unit rate information available, the most recent rates were used and indexed for the impact of inflation.
- Useful lives were determined considering the age, condition information held on these assets and the asset's future service potential.

Operational land, buildings and site improvements – Key valuation assumptions;

- Land and buildings were mainly valued based on recent equivalent sales information and market evidence.
- Where no market existed for the buildings, ODRC was used with allowance for the building's age, condition and configuration.

Collection items – Works of art – Key valuation assumptions;

- Works of art were valued based on equivalent sales information and market evidence.

Accounting policy

Property, plant and equipment consists of:

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

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

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

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

Revaluation

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

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

The net revaluation results are credited or debited to other comprehensive revenue and expenses and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other

comprehensive revenue and expenses but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive revenue and expenses.

The fair value of land, buildings, site improvements and collection assets is their market value. The fair value of the roading, water assets, stormwater assets and wastewater assets is measured using the depreciated replacement cost. Fair value is assessed by an independent registered valuer.

Additions

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

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

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

Subsequent costs

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

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

Disposals

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

Depreciation

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

	Years	Percentages
Operational assets		
Site improvements	2 – 40	2.50 – 50.00
Buildings	3 – 80	1.25 – 33.33
Landfill assets (including plant and infrastructure not associated with the network)	3 – 70	1.43 – 33.33
Library books	7	14.28
Plant and equipment	1 – 30	3.33 – 100.00
Vehicles	3 – 5	20.00 – 33.00
Wharves	5 – 56	1.77 – 19.03
Breakwaters	88	1.14
Infrastructure assets		
Storm water assets	10 – 57	1.76 – 9.28
Water supply assets	3 – 36	2.79 – 33.33
Waste water assets (including treatment plant)	2 – 155	0.65 – 50.00
Roading network	0 – 33.67	Over 3 years
Seawalls	58	1.70

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

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

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

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

Impairment of property, plant and equipment

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

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

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

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

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

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

Council 2024	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Operational assets							
Land	57,105	-	57,105	328	-	(150)	-
Site improvements	31,478	(1,639)	29,840	4,390	-	-	1,924
Buildings	147,486	(5,654)	141,832	2,295	-	(322)	-
Landfill assets	55,822	(9,759)	46,063	9,258	-	(39)	-
Library books	9,886	(6,802)	3,084	745	-	(3,321)	-
Plant and equipment	27,152	(15,175)	11,976	2,879	-	(7,063)	(1,924)
Vehicles	2,964	(1,120)	1,844	835	-	(390)	-
Wharves	11,814	(3,283)	8,531	-	-	(2,582)	-
Breakwaters	5,247	(64)	5,183	-	-	-	-
Total	348,954	(43,496)	305,458	20,730	-	(13,867)	-
Collection assets							
Public art collections	2,284	-	2,284	-	-	-	-
Other collection items	15,212	-	15,212	58	-	-	-
Petone Settlers	241	-	241	1	-	-	-
Total collections	17,737	-	17,737	59	-	-	-
Total operational assets	366,691	(43,496)	323,195	20,789	-	(13,867)	-
Infrastructural assets							
Waste water system	236,551	(8,897)	227,654	59,552	535	-	-
Waste water treatment plant	39,246	(2,336)	36,910	-	-	-	-
Less UHCC share in HVS assets	(51,830)	1,904	(49,926)	(3,500)	-	-	-
Total	223,967	(9,329)	214,638	56,052	535	-	-
Land	25,057	-	25,057	1	-	-	-
Land under roads	146,469	-	146,469	-	332	-	-
Storm water system	289,287	(5,869)	283,418	622	859	-	-
Water supply system	126,200	(5,691)	120,509	15,594	909	-	-
Roading network	517,020	(17,910)	499,110	28,709	1,229	-	-
Seawalls	4,814	(89)	4,725	1	-	-	-
Total infrastructural assets	1,332,814	(38,888)	1,293,926	100,979	3,864	-	-
Restricted assets							
Land	144,046	-	144,046	16	48	-	-
Total restricted assets	144,046	-	144,046	16	48	-	-
Total property, plant and equipment	1,843,551	(82,384)	1,761,167	121,784	3,912	(13,867)	-

Revaluation surplus/impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
15,099	-	-	-	-	-	72,382	-	72,382
(2,440)	-	3,535	-	(252)	(1,801)	35,352	(157)	35,196
6,773	26	10,742	-	-	(5,596)	156,232	(482)	155,750
-	39	-	-	-	(1,338)	65,041	(11,058)	53,983
-	3,321	-	-	-	(805)	7,310	(4,286)	3,024
-	7,034	-	-	252	(1,879)	21,044	(9,768)	11,275
-	252	-	-	-	(419)	3,409	(1,287)	2,122
-	2,582	-	-	-	(479)	9,232	(1,180)	8,052
188	-	119	-	-	(60)	5,435	(5)	5,430
19,620	13,254	14,396	-	-	(12,377)	375,437	(28,223)	347,214
144	-	-	-	-	-	2,428	-	2,428
2,242	-	-	-	-	-	17,512	-	17,512
39	-	-	-	-	-	281	-	281
2,425	-	-	-	-	-	20,221	-	20,221
22,045	13,254	14,396	-	-	(12,377)	395,658	(28,223)	367,435
432,051	-	17,745	-	-	(10,774)	728,689	(1,926)	726,763
(2,736)	-	4,321	-	-	(2,226)	36,510	(241)	36,269
(23,988)	-	(3,706)	-	-	2,043	(79,318)	241	(79,077)
405,327	-	18,360	-	-	(10,957)	685,881	(1,926)	683,955
7,171	-	-	-	-	-	32,229	-	32,229
-	-	-	-	-	-	146,801	-	146,801
638,408	-	10,894	-	-	(6,566)	929,176	(1,541)	927,635
216,752	-	11,146	-	-	(6,647)	359,455	(1,192)	358,263
(18,411)	-	34,341	-	-	(17,811)	528,547	(1,380)	527,167
1,289	-	164	-	-	(84)	6,104	(9)	6,095
1,250,536	-	74,905	-	-	(42,065)	2,688,193	(6,048)	2,682,145
59,738	-	-	-	-	-	203,848	-	203,848
59,738	-	-	-	-	-	203,848	-	203,848
1,332,319	13,254	89,301	-	-	(54,442)	3,287,699	(34,271)	3,253,427

Council 2023

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Operational assets							
Land	57,105	-	57,105	-	-	-	-
Site improvements	28,065	(124)	27,942	3,415	-	(2)	-
Buildings	142,728	(426)	142,302	5,138	-	(380)	-
Landfill assets	52,263	(8,444)	43,819	3,559	-	-	-
Library books	9,091	(5,979)	3,112	795	-	-	-
Plant and equipment	25,007	(14,094)	10,912	3,096	-	(951)	-
Vehicles	2,386	(888)	1,498	626	-	(48)	-
Wharves	11,814	(2,968)	8,846	-	-	-	-
Breakwaters	5,247	(4)	5,243	-	-	-	-
Total	333,706	(32,927)	300,779	16,629	-	(1,381)	-
Collection assets							
Public art collections	2,284	-	2,284	-	-	-	-
Other collection items	15,148	-	15,148	64	-	-	-
Petone Settlers	241	-	241	-	-	-	-
Total collections	17,673	-	17,673	64	-	-	-
Total operational assets	351,379	(32,927)	318,452	16,693	-	(1,381)	-
Infrastructural assets							
Waste water system	217,476	(662)	216,814	17,238	1,837	-	-
Waste water treatment plant	39,207	(178)	39,029	39	-	-	-
Less UHCC share in HVS assets	(43,325)	146	(43,179)	(8,505)	-	-	-
Total	213,358	(694)	212,664	8,772	1,837	-	-
Land	25,057	-	25,057	-	-	-	-
Land under roads	146,170	-	146,170	-	299	-	-
Storm water system	286,198	(444)	285,754	1,329	1,760	-	-
Water supply system	114,839	(422)	114,417	9,445	1,916	-	-
Roading network	495,907	(1,329)	494,578	17,912	3,201	-	-
Seawalls	4,814	(7)	4,807	-	-	-	-
Total infrastructural assets	1,286,343	(2,896)	1,283,447	37,458	9,013	-	-
Restricted assets							
Land	143,984	-	143,984	65	-	(3)	-
Total restricted assets	143,984	-	143,984	65	-	(3)	-
Total property, plant and equipment	1,781,706	(35,823)	1,745,883	54,216	9,013	(1,384)	-

Revaluation surplus/impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	-	-	-	-	-	57,105	-	57,105
-	2	-	-	-	(1,517)	31,478	(1,639)	29,840
-	21	-	-	-	(5,249)	147,486	(5,654)	141,832
-	-	-	-	-	(1,315)	55,822	(9,759)	46,063
-	-	-	-	-	(823)	9,886	(6,802)	3,084
-	877	-	-	-	(1,958)	27,152	(15,175)	11,976
-	18	-	-	-	(250)	2,964	(1,120)	1,844
-	-	-	-	-	(315)	11,814	(3,283)	8,531
-	-	-	-	-	(60)	5,247	(64)	5,183
-	918	-	-	-	(11,487)	348,954	(43,496)	305,458
-	-	-	-	-	-	2,284	-	2,284
-	-	-	-	-	-	15,212	-	15,212
-	-	-	-	-	-	241	-	241
-	-	-	-	-	-	17,737	-	17,737
-	918	-	-	-	(11,487)	366,691	(43,496)	323,195
-	-	-	-	-	(8,235)	236,551	(8,897)	227,654
-	-	-	-	-	(2,158)	39,246	(2,336)	36,910
-	-	-	-	-	1,758	(51,830)	1,904	(49,926)
-	-	-	-	-	(8,635)	223,967	(9,329)	214,638
-	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,469	-	146,469
-	-	-	-	-	(5,425)	289,287	(5,869)	283,418
-	-	-	-	-	(5,269)	126,200	(5,691)	120,509
-	-	-	-	-	(16,581)	517,020	(17,910)	499,110
-	-	-	-	-	(82)	4,814	(89)	4,725
-	-	-	-	-	(35,992)	1,332,814	(38,888)	1,293,926
-	-	-	-	-	-	144,046	-	144,046
-	-	-	-	-	-	144,046	-	144,046
-	918	-	-	-	(47,479)	1,843,551	(82,384)	1,761,167

Group 2024	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Operational assets							
Land	57,105	-	57,105	328	-	(150)	-
Site improvements	31,478	(1,639)	29,840	4,390	-	-	1,924
Buildings	147,486	(5,654)	141,832	2,295	-	(322)	-
Landfill assets	55,822	(9,759)	46,063	9,258	-	(39)	-
Library books	9,886	(6,802)	3,084	745	-	(3,321)	-
Plant and equipment	27,152	(15,175)	11,976	2,879	-	(7,063)	(1,924)
Vehicles	2,964	(1,120)	1,844	835	-	(390)	-
Wharves	11,814	(3,283)	8,531	-	-	(2,582)	-
Breakwaters	5,247	(64)	5,183	-	-	-	-
Seaview marina	20,232	(1,468)	18,764	170	-	(404)	-
Piers and berths	6,270	(2,406)	3,864	326	-	(128)	-
Urban Plus land	31,227	-	31,227	-	-	-	-
Urban Plus buildings	12,911	-	12,911	2,218	-	(57)	-
Urban Plus other assets	87	(18)	69	51	-	-	-
Total	419,681	(47,388)	372,292	23,495	-	(14,456)	-
Collection Assets							
Public art collection	2,284	-	2,284	-	-	-	-
Other collection items	15,212	-	15,212	58	-	-	-
Petone Settlers	241	-	241	1	-	-	-
Total collections	17,737	-	17,737	59	-	-	-
Total operational assets	437,418	(47,388)	390,029	23,554	-	(14,456)	-
Infrastructural assets							
Waste water system	236,551	(8,897)	227,654	59,552	535	-	-
Waste water treatment plant	39,246	(2,336)	36,910	-	-	-	-
Less UHCC share in HVS assets	(51,830)	1,904	(49,926)	(3,500)	-	-	-
Total	223,967	(9,329)	214,638	56,052	535	-	-
Land	25,057	-	25,057	1	-	-	-
Land under roads	146,469	-	146,469	-	332	-	-
Storm water system	289,287	(5,869)	283,418	622	859	-	-
Water supply system	126,200	(5,691)	120,509	15,594	909	-	-
Roading network	517,020	(17,910)	499,110	28,709	1,229	-	-
Seawalls	4,814	(89)	4,725	1	-	-	-
Total infrastructural assets	1,332,814	(38,888)	1,293,926	100,979	3,864	-	-
Restricted assets							
Land	144,046	-	144,046	16	48	-	-
Total restricted assets	144,046	-	144,046	16	48	-	-
Total property, plant and equipment	1,914,278	(86,276)	1,828,003	124,549	3,912	(14,456)	-

Revaluation surplus/impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
15,099	-	-	-	-	-	72,382	-	72,382
(2,440)	-	3,535	-	(252)	(1,801)	35,352	(157)	35,196
6,773	26	10,742	-	-	(5,596)	156,232	(482)	155,750
-	39	-	-	-	(1,338)	65,041	(11,058)	53,983
-	3,321	-	-	-	(805)	7,310	(4,286)	3,024
-	7,034	-	-	252	(1,879)	21,044	(9,768)	11,275
-	252	-	-	-	(419)	3,409	(1,287)	2,122
-	2,582	-	-	-	(479)	9,232	(1,180)	8,052
188	-	119	-	-	(60)	5,435	(5)	5,430
1,678	414	345	-	-	(326)	21,676	(1,035)	20,641
-	128	-	-	-	(195)	6,468	(2,473)	3,995
(6,287)	-	-	-	-	-	24,940	-	24,940
5,572	2	624	-	-	(707)	20,644	(81)	20,563
-	-	-	-	-	(17)	138	(35)	103
20,583	13,798	15,365	-	-	(13,622)	449,303	(31,847)	417,455
144	-	-	-	-	-	2,428	-	2,428
2,242	-	-	-	-	-	17,512	-	17,512
39	-	-	-	-	-	281	-	281
2,425	-	-	-	-	-	20,221	-	20,221
23,008	13,798	15,365	-	-	(13,622)	469,524	(31,847)	437,676
432,051	-	17,745	-	-	(10,774)	728,689	(1,926)	726,763
(2,736)	-	4,321	-	-	(2,226)	36,510	(241)	36,269
(23,988)	-	(3,706)	-	-	2,043	(79,318)	241	(79,077)
405,327	-	18,360	-	-	(10,957)	685,881	(1,926)	683,955
7,171	-	-	-	-	-	32,229	-	32,229
-	-	-	-	-	-	146,801	-	146,801
638,408	-	10,894	-	-	(6,566)	929,176	(1,541)	927,635
216,752	-	11,146	-	-	(6,647)	359,455	(1,192)	358,263
(18,411)	-	34,341	-	-	(17,811)	528,547	(1,380)	527,167
1,289	-	164	-	-	(84)	6,104	(9)	6,095
1,250,536	-	74,905	-	-	(42,065)	2,688,193	(6,048)	2,682,145
59,738	-	-	-	-	-	203,848	-	203,848
59,738	-	-	-	-	-	203,848	-	203,848
1,333,282	13,798	90,270	-	-	(55,687)	3,361,564	(37,895)	3,323,671

Group 2023

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Operational assets							
Land	57,105	-	57,105	-	-	-	-
Site improvements	28,065	(124)	27,942	3,415	-	(2)	-
Buildings	142,728	(426)	142,302	5,138	-	(380)	-
Landfill assets	52,263	(8,444)	43,819	3,559	-	-	-
Library books	9,091	(5,979)	3,112	795	-	-	-
Plant and equipment	25,007	(14,094)	10,912	3,096	-	(951)	-
Vehicles	2,386	(888)	1,498	626	-	(48)	-
Wharves	11,814	(2,968)	8,846	-	-	-	-
Breakwaters	5,247	(4)	5,243	-	-	-	-
Seaview marina	20,143	(1,175)	18,968	105	-	(16)	-
Piers and berths	6,275	(2,221)	4,054	2	-	(7)	-
Urban Plus land	31,447	-	31,447	-	-	-	-
Urban Plus buildings	16,794	(67)	16,727	553	-	-	-
Urban Plus other assets	47	(18)	29	40	-	-	-
Total	408,412	(36,408)	372,004	17,329	-	(1,404)	-
Collection Assets							
Public art collection	2,284	-	2,284	-	-	-	-
Other collection items	15,148	-	15,148	64	-	-	-
Petone Settlers	241	-	241	-	-	-	-
Total collections	17,673	-	17,673	64	-	-	-
Total operational assets	426,085	(36,408)	389,677	17,393	-	(1,404)	-
Infrastructural assets							
Waste water system	217,476	(662)	216,814	17,238	1,837	-	-
Waste water treatment plant	39,207	(178)	39,029	39	-	-	-
Less UHCC share in HVS assets	(43,325)	146	(43,179)	(8,505)	-	-	-
Total	213,358	(694)	212,664	8,772	1,837	-	-
Land	25,057	-	25,057	-	-	-	-
Land under roads	146,170	-	146,170	-	299	-	-
Storm water system	286,198	(444)	285,754	1,329	1,760	-	-
Water supply system	114,839	(422)	114,417	9,445	1,916	-	-
Roading network	495,907	(1,329)	494,578	17,912	3,201	-	-
Seawalls	4,814	(7)	4,807	-	-	-	-
Total infrastructural assets	1,286,343	(2,896)	1,283,447	37,458	9,013	-	-
Restricted assets							
Land	143,984	-	143,984	65	-	(3)	-
Total restricted assets	143,984	-	143,984	65	-	(3)	-
Total property, plant and equipment	1,856,412	(39,305)	1,817,110	54,916	9,013	(1,407)	-

Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	-	-	-	-	-	57,105	-	57,105
-	2	-	-	-	(1,517)	31,478	(1,639)	29,840
-	21	-	-	-	(5,249)	147,486	(5,654)	141,832
-	-	-	-	-	(1,315)	55,822	(9,759)	46,063
-	-	-	-	-	(823)	9,886	(6,802)	3,084
-	877	-	-	-	(1,958)	27,152	(15,175)	11,976
-	18	-	-	-	(250)	2,964	(1,120)	1,844
-	-	-	-	-	(315)	11,814	(3,283)	8,531
-	-	-	-	-	(60)	5,247	(64)	5,183
-	10	-	-	-	(303)	20,232	(1,468)	18,764
-	5	-	-	-	(190)	6,270	(2,406)	3,864
(220)	-	-	-	-	-	31,227	-	31,227
(4,436)	-	927	-	-	(860)	12,911	-	12,911
-	16	-	-	-	(16)	87	(18)	69
(4,656)	949	927	-	-	(12,856)	419,681	(47,388)	372,292
-	-	-	-	-	-	2,284	-	2,284
-	-	-	-	-	-	15,212	-	15,212
-	-	-	-	-	-	241	-	241
-	-	-	-	-	-	17,737	-	17,737
(4,656)	949	927	-	-	(12,856)	437,418	(47,388)	390,029
-	-	-	-	-	(8,235)	236,551	(8,897)	227,654
-	-	-	-	-	(2,158)	39,246	(2,336)	36,910
-	-	-	-	-	1,758	(51,830)	1,904	(49,926)
-	-	-	-	-	(8,635)	223,967	(9,329)	214,638
-	-	-	-	-	-	25,057	-	25,057
-	-	-	-	-	-	146,469	-	146,469
-	-	-	-	-	(5,425)	289,287	(5,869)	283,418
-	-	-	-	-	(5,269)	126,200	(5,691)	120,509
-	-	-	-	-	(16,581)	517,020	(17,910)	499,110
-	-	-	-	-	(82)	4,814	(89)	4,725
-	-	-	-	-	(35,992)	1,332,814	(38,888)	1,293,926
-	-	-	-	-	-	144,046	-	144,046
-	-	-	-	-	-	144,046	-	144,046
(4,656)	949	927	-	-	(48,848)	1,914,278	(86,276)	1,828,003

Valuation

Operational and restricted land and buildings

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

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

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

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

The most recent independent valuations for council's land and buildings effective 31 May 2024, was performed by Peter Erceg and Chris McCashin (MPINZ), of Aon Risk Solutions.

Infrastructural assets (excluding land under roads)

The market value for financial reporting purposes was calculated using the optimised depreciated replacement cost (ODRC) approach. This is based on the current replacement cost of modern equivalent replacement assets (MERA) that is adjusted for over-design, over-capacity and/or redundant assets, less an allowance for depreciation.

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

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

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

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

The most recent independent valuations for roading assets (excluding land under roads) was performed by Peter Erceg (MPINZ), of Aon Risk Solutions, and the valuation is effective as at 31 May 2024.

The most recent independent valuations for waste, storm and water infrastructural assets was performed by Thrainn Viggosson and Jaime Cable (MPINZ), of WSP, and the valuation is effective as at 31 May 2024.

Councils' most recent estimate of the replacement cost of infrastructural asset is at 31 May 2022:

	\$000
Waste water	565,500
Waste water treatment plant	119,300
Storm water	561,800
Water supply	313,800
Roading (excluding land under roads)	1,096,400
	2,656,800

Service concession arrangements.

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

The carrying value of these service concession assets for council and group is \$79.0M (2023: \$49.9M)

Collection items

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

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

Painting and works on paper were independently valued as at 31 May 2024 by Ben Ashley (AAA) of Aon Risk Solutions.

Assets held by Subsidiaries

Seaview Marina Limited assets consist of non-specialised properties and are valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by an independent valuer Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 May 2024.

Urban Plus flats and other non-specialised properties are valued at fair value using market based evidence. We have utilised two methods. Firstly, the capitalisation of income method of valuation where a yield is applied to an income to assess a market value. In addition we have used the comparable sales method to value. This method considers the sales of similar or substitute properties and related market data and establishes a value estimate by processes involving comparison. In general, the subject property is compared with sales of similar properties that have been transacted in the open market. Where required, adjustments for required structural maintenance and earthquake strengthening costs were applied. The most recent independent valuation was performed by Peter Erceg and Chris McCashin (MPINZ) of Aon Risk Solutions and the valuation is effective as at 31 May 2024.

Assets under construction

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Water systems	69,128	70,893	69,128	70,893
Roading network	30,372	17,501	30,372	17,501
Landfills	93	637	93	637
Land and site improvements	35,637	24,369	35,637	24,369
Buildings	63,850	34,523	63,850	34,523
Other	2,531	4,456	4,381	5,312
Total assets under construction	201,611	152,379	203,461	154,613

15. Intangible Assets

Accounting policy

Software acquisition and development

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

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

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

Software as a Service (SaaS)

Costs associated with software developed and used under a SaaS arrangement are expenses when incurred as the rights of ownership of the software does not transfer to the council or group.

Some additional costs are incurred for the development of software code that enhances or modifies, or creates additional capability to, existing on-premises systems and meets the definition of and recognition criteria for an intangible asset where the ownership of the developments reside with the group. These costs are recognised as intangible software assets and amortised over the useful life of the software on a straight-line basis. The useful lives are reviewed at least at the end of each financial year, and any change accounted for prospectively as a change in accounting estimate.

Resource Consents

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

Amortisation

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

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

	Years	Percentages
Computer software	2–10	10–52.55
Resource Consents	12–29	3.33–7.86

Impairment of intangible assets

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

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

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

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

	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000	Current year additions \$000	Vested assets \$000	Current year disposals \$000	Category adjustments to cost \$000
Council 2024							
Software	2,461	(2,307)	154	-	-	(1,909)	-
Resource consents	1,981	(1,340)	641	-	-	(203)	-
	4,442	(3,647)	795	-	-	(2,112)	-
Council 2023							
Software	2,739	(2,419)	320	-	-	(278)	-
Resource consents	1,981	(1,272)	709	-	-	-	-
	4,720	(3,691)	1,029	-	-	(278)	-
Group 2024							
Software	2,522	(2,363)	159	-	-	(1,965)	-
Resource consents	1,982	(1,343)	639	-	-	(203)	-
	4,504	(3,706)	798	-	-	(2,168)	-
Group 2023							
Software	2,800	(2,472)	328	-	-	(278)	-
Resource consents	1,982	(1,275)	707	-	-	-	-
	4,782	(3,747)	1,035	-	-	(278)	-

Revaluation surplus/Impair charges to revaluation reserves \$000	Accumulated depreciation on disposals \$000	Accumulated depreciation on revaluation \$000	Current year impairment charges \$000	Category adjustments to depreciation \$000	Current year depreciation \$000	Cost/ valuation \$000	Accumulated depreciation and impairment charges \$000	Carrying amount \$000
-	1,908	-	-	-	(98)	552	(497)	55
-	203	-	-	-	(68)	1,778	(1,205)	573
-	2,111	-	-	-	(166)	2,330	(1,702)	628
-	278	-	-	-	(166)	2,461	(2,307)	154
-	-	-	-	-	(68)	1,981	(1,340)	641
-	278	-	-	-	(234)	4,442	(3,647)	795
-	1,965	-	-	-	(101)	557	(499)	58
-	203	-	-	-	(68)	1,779	(1,208)	571
-	2,168	-	-	-	(169)	2,336	(1,707)	629
-	278	-	-	-	(169)	2,522	(2,363)	159
-	-	-	-	-	(68)	1,982	(1,343)	639
-	278	-	-	-	(237)	4,504	(3,706)	798

16. Depreciation and amortisation expense by group of activity

	Council	
	Actual 2024 \$000	Actual 2023 \$000
Directly attributable depreciation and amortisation expense by activity (group of activity)		
Environmental wellbeing		
Water supply	6,646	5,270
Wastewater	11,264	8,940
Stormwater	6,566	5,425
Solid waste	1,722	1,699
Sustainability and resilience	124	80
Regulatory services	289	177
Economic wellbeing		
Transport	17,998	16,776
City development	4	5
Social and cultural wellbeing		
Community partnering and support	1,470	1,333
Open spaces, parks, and reserves	3,356	2,941
Connectivity, creativity, learning and recreation	4,319	4,110
Governance, strategy and partnerships	7	5
Corporate services	842	955
Total directly attributable depreciation and amortisation expense by group of activity	54,607	47,716
Depreciation and amortisation not directly attributable by group of activity	-	-
Total depreciation and amortisation expense	54,607	47,716

17. Investment in associate

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

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

The company is considered to be jointly controlled because of the equal share of voting rights conferred through the Class A shares and is therefore an associate of all Councils in accordance with IPSAS 28: Investments in Associates. Each Council will equity account for their respective ownership interest as determined by the proportionate value of Class A and Class B shares held. Council's ownership interest in the company is 20% (2023: 20%).

2023 and 2024	Shares on issue	Hutt City Council	Wellington City Council	Upper Hutt Council	Porirua City Council	Greater Wellington Regional Council	South Wairarapa District Council
Class A shares (voting entitlements)	900	150	150	150	150	150	150
		17%	17%	17%	17%	17%	17%
Class B shares (financial entitlements)	500	100	200	40	60	75	25
		20%	40%	8%	12%	15%	5%

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Wellington Water Limited				
Balance at beginning of the year	200	200	581	881
New Shares issued	-	-	-	-
B Shares sold	-	-	-	-
Share of operating surplus/(deficit)	-	-	807	(300)
Balance at end of year	200	200	1,388	581

	Total Wellington Water Ltd		Group share	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Revenue	467,297	382,880	93,459	76,576
Expenditure	461,677	384,774	92,335	76,955
Surplus (Deficit) before taxation	5,620	(1,894)	1,124	(379)
Taxation (Expense)/benefit	(1,586)	383	(317)	79
Surplus (Deficit) after taxation	4,034	(1,511)	807	(300)
Assets	111,601	79,025	22,320	15,805
Liabilities	104,543	76,001	20,909	15,200
Equity	7,058	3,024	1,412	605

18. Other financial assets

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current portion				
Short term deposits with original maturities greater than three months	-	10,000	-	10,000
Total other financial assets – current portion	-	10,000	-	10,000
Non-current portion				
Investment in Council Controlled Organisations and other similar entities				
Shares in subsidiaries	14,545	14,545	-	-
Loans to related parties (note 30)	35,700	35,700	-	-
Unlisted shares in Local Government Funding Agency	100	100	100	100
Borrower Notes from Local Government Funding Agency	11,909	7,927	11,909	7,927
Total investment in Council Controlled Organisations and other similar entities	62,254	58,272	12,009	8,027
Investment in other entities				
NZ Local Government Insurance Company	455	455	455	455
Total investment in other entities	455	455	455	455
Total other financial assets – non-current portion	62,709	58,727	12,464	8,482
Total other financial assets	62,709	68,727	12,464	18,482

Loans to related parties and shares in subsidiaries are those transactions with Urban Plus Limited and Seaview Marina Limited – 100% owned subsidiaries (Council Controlled Organisations).

Unlisted Shares

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

Impairment

There has been no impairment provision made on the investment in NZ Local Government Insurance Company (2023 \$nil).

19. Creditors and other payables

Accounting policy

Short-term creditors and other payables are recorded at amortised costs.

Breakdown of creditors and other payables

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Trade and other payables	2,3970	5,076	2,397	5,076
Deposits and bonds	481	1,661	483	1,663
Accrued expenses	29,919	34,557	30,230	34,889
Rates in advance	1,950	1,969	1,950	1,969
Amounts due to customers for contract work	2,059	1,755	2,236	1,755
Total creditors and other payables	36,806	45,018	37,296	45,352

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

All creditors and other payables are classified as exchange transactions.

20. Borrowings

Accounting policy

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

Borrowings are classified as current liabilities, unless the Council or the Group has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current portion				
Bank overdraft	-	-	-	-
Secured loans	40,000	70,000	40,000	70,000
Total current portion	40,000	70,000	40,000	70,000
Non-current portion				
Secured loans	470,700	300,700	470,700	300,700
Total non-current portion	470,700	300,700	470,700	300,700
Total borrowing	510,700	370,700	510,700	370,700

Maturity profile

	Interest cost		Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Years of Maturity						
Under 1 year	1,656	2,034	40,000	70,000	40,000	70,000
1 to 2 years	3,311	1,162	80,000	40,000	80,000	40,000
2 to 3 years	2,719	1,162	65,700	40,000	65,700	40,000
3 to 4 years	2,897	1,182	70,000	40,700	70,000	40,700
4 to 5 years	2,897	1,743	70,000	60,000	70,000	60,000
Over 5 years	7,657	3,486	185,000	120,000	185,000	120,000
Total borrowing	21,138	10,770	510,700	370,700	510,700	370,700

Secured loans

Council's debt of \$511 million (2023: \$371 million) is issued at a range of maturities in accordance with the borrowing policy, at interest rates ranging from 1.320% to 6.545% (2023: 1.210% to 6.590%). Where the interest rate is floating, the rate is generally reset quarterly based on the 90-day bank bill rate plus a margin for credit.

Security

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

Council has \$60 million of wholesale advance facilities split between Westpac Banking Corporation for \$25 million (2023: \$10 million), and New Zealand Local Government Funding Agency for \$35 million (2023: \$35 million). As at 30 June a total of \$nil (2023: \$nil) had been drawn against this wholesale advance facility. The facility is secured under the Debenture Trust Deed.

Bank overdraft

Council has a \$250,000 unsecured bank overdraft facility (2023: \$250,000). The facility is undrawn at balance date (2023: \$nil).

Internal borrowings

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

Interest terms for secured loans

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

21. Employee entitlements**Accounting policy***Short-term benefits*

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

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

Long-term benefits

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

Presentation of employee entitlements

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

Superannuation schemes*Defined contribution schemes*

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

Breakdown of provisions and other information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current portion				
Accrued Salaries and Wages	1,007	866	1,007	866
Time in lieu	55	62	55	62
Annual leave	2,887	2,463	3,005	2,590
Annual leave – historical obligation *	1,350	1,079	1,351	1,090
Long Service Leave	36	34	39	38
Total current portion	5,335	4,504	5,457	4,646
Non-current portion				
Retirement gratuities	442	401	492	450
Total non-current portion	442	401	492	450
Total employee entitlements	5,777	4,905	5,950	5,096

* This amount is the estimated cost to investigate and settle shortfall in payments made to current and past employees as a result of the complexities in interpreting and compliance with the Holidays Act 2003. An initial estimate was developed and assessed independently by Ernst & Young based on identified areas of potential non-compliance with the Act and the subsequent recalculation performed based on a sample of employees. Following this, a Holidays Act Remediation Project (HARP) was established and detailed calculations were performed for the period up to 31 March 2022 with the support from an external specialist. During the years ending 30 June 2023 and 2024, payments were made to both current employees and former employees to settle these shortfalls. The project has been paused pending a new HRIS and Payroll system implementation. Once this solution is delivered then HARP will finalise any further amounts owing to both current and former employees.

22. Provisions

Accounting policy

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

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

Landfill post closure costs

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

A site restoration and aftercare provision has been recognised as a liability in the Statement of Financial Position. Provision is made for the present value of closure and post closure costs when the obligation for post closure arises. The calculated cost is based on estimates of closure costs and future site trade waste charges and monitoring costs. The estimated length of time needed for post closure care is 25 years.

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

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

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

Critical accounting estimates and assumptions

Estimating the landfill aftercare costs

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

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

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

Breakdown of provisions and other information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Provision for landfill aftercare	10,390	10,503	10,390	10,503
Total provisions	10,390	10,503	10,390	10,503
Current	-	-	-	-
Non-Current	10,390	10,503	10,390	8,023
Total provisions	10,390	10,503	10,390	8,023

Movements in provision

	Landfill aftercare	
	2024 \$000	2023 \$000
Balance at beginning of the year	10,503	8,547
Discount unwinding	525	427
Amounts charged to provision during the period	(638)	1,529
Balance at end of the year (non-current liability)	10,390	10,503

Landfill aftercare costs

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

Council currently operates one landfill, Silverstream (stage 1 and 2). The stage 2 landfill is consented to be developed progressively with a total estimated airspace of 5.3 million cubic metres. The estimated available airspace in the completed section of the landfill is 75,000 cubic metres (2023: 138,000 cubic metres) with work underway to provide an additional 207,000 cubic meters over the next year. Airspace usage is currently approximately 150,000 cubic metres (2023: 126,000 cubic metres) per annum including cover material and an allowance for settlement. The life of stage two, which has been operating for fourteen years, is projected to be approximately 24-29 years. Council is monitoring gas, leachate, and water for six closed landfills identified as potential risks.

The cash outflows for the closed landfills at Silverstream stage 1 and Wainuiomata are expected to continue for at least twenty to thirty years. The long term nature of the liability means that there are inherent uncertainties in estimating costs that will be incurred. The provision has been estimated taking into account existing technology and is discounted at a rate of 5.0%. (2023: 5.0%) and an inflation rate of 2.5% (2023: 2.5%).

The provision is independently valued by Rosanna Ede and Jonathan Eriksen (FNZSA) of Eriksen & Associates Limited and is effective as at 30 June 2024.

23. Other liabilities

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Other liabilities – current portion				
Accrued interest expenses	4,677	2,397	4,677	2,397
Third party funds	159	144	159	144
Emission Trading Liability	404	349	404	349
Miscellaneous current liabilities	433	245	469	264
Income earned in advance	2,764	2,512	3,053	2,645
Total other liabilities	8,437	5,646	8,762	5,798

24. Equity

Accounting policy

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

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

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

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

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

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

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

Breakdown of equity and further information

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Accumulated funds				
Balance at beginning of the year	711,898	704,745	726,576	719,355
Interest allocated to reserves	(1,272)	(973)	(1,272)	(974)
Other transfers to reserves	(5,109)	(4,849)	(5,109)	(4,849)
Transfers from reserves	2,542	1,185	2,542	1,185
Net surplus/(deficit) after tax	13,146	11,791	11,017	11,998
Accumulated funds – balance at end of the year	721,205	711,898	733,754	726,576
Council created reserves				
Balance at beginning of the year	39,135	34,499	39,135	34,499
Transfers to accumulated funds	(2,534)	(1,185)	(2,534)	(1,185)
Transfers from accumulated funds	5,109	4,849	5,109	4,849
Interest earned	1,269	972	1,269	972
Council created reserves – balance at end of the year	42,979	39,135	42,979	39,135

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Restricted reserves				
Balance at beginning of the year	64	62	64	62
Transfers to accumulated funds	(8)	-	(8)	-
Interest earned	3	2	3	2
Restricted reserves – balance at end of the year	59	64	59	64
Asset revaluation reserve				
Balance at beginning of the year	853,660	853,660	898,543	901,289
Changes in asset value – revaluation	1,421,624	-	1,423,554	(3,729)
Deferred tax on revaluation	-	-	(1,753)	844
Asset revaluation reserve – balance at end of the year	2,275,284	853,660	2,320,344	898,404
Asset revaluation reserves consist of:				
Operational assets				
– Buildings	73,136	55,621	82,174	60,202
– Site improvements	1,135	40	1,513	368
– Land	52,285	37,186	94,437	77,160
– Breakwater	1,330	1,022	1,330	1,022
– Public art collections	2,165	2,020	2,165	2,020
– Museum collections	17,145	14,864	17,145	14,864
Infrastructure assets				
– Land	22,652	15,481	16,145	15,481
– Wastewater	551,342	127,653	551,342	127,653
– Stormwater	839,900	190,598	839,899	190,599
– Water	272,219	44,321	272,219	44,321
– Road	300,034	284,105	300,034	284,105
– Seawall	4,288	2,834	4,288	2,834
Restricted assets				
– Land	137,652	77,914	137,652	77,914
Total asset revaluation reserves	2,275,284	853,660	2,320,344	898,543
Total other reserves	2,318,322	892,859	2,363,382	937,742
Total equity	3,039,527	1,604,757	3,097,136	1,664,318

NB: Asset revaluation reserves for June 2023 has been split into more categories to align with those on the fixed asset register.

25. Financial instruments

25A. Financial instruments categories

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

	Note	Council		Group	
		2024 \$000	2023 \$000	2024 \$000	2023 \$000
Financial assets					
Fair value through surplus or deficit					
Borrower Notes from Local Government Funding Agency	18.	11,909	7,927	11,909	7,927
Derivative financial instrument assets	12.	4,095	5,609	4,095	5,609
Total fair value through surplus or deficit		16,004	13,536	16,004	13,536
Finance assets at amortised costs					
Cash and cash equivalents	10.	30,456	10,245	40,665	36,950
Short term deposits with original maturities greater than three months	18.	-	10,000	-	10,000
Debtors and other receivables	11.	47,316	34,427	47,376	34,571
Other financial assets:					
Loans to Related Parties	18.	35,700	35,700	-	-
Total finance assets at amortised costs		113,472	90,372	88,041	81,521
Other financial assets					
Fair value through other comprehensive revenue or expenditure					
- NZ Local Government Insurance Company	18.	455	455	455	455
- NZ Local Government Funding Agency	18.	100	100	100	100
Total fair value through other comprehensive revenue or expenditure		555	555	555	555
Total financial assets		130,031	104,463	104,600	95,612
Financial liabilities					
Fair value through surplus or deficit					
Derivative financial instrument liabilities	12.	84	11	84	11
Total fair value through surplus or deficit		84	11	84	11
Financial liabilities at amortised cost					
Trade creditors and other payables	19.	36,806	45,018	37,296	45,352
Income tax payable	9.	97	68	97	449
Borrowings:					
- secured loans	20.	510,700	370,700	510,700	370,700
Total financial liabilities at amortised cost		547,603	415,786	548,093	416,501
Total financial liabilities		547,687	415,797	548,177	416,512

25B. Financial instruments categories

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

- Quoted market price (level 1) – Financial instruments with quoted prices for identified instruments in active markets.
- Valuation technique using observable inputs (level 2) – Financial instruments with quoted prices for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued where all significant inputs are observable.
- Valuation techniques with significant non-observable inputs (level 3) – Financial instruments valued using models where one or more significant inputs are not observable.

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

	2024				2023			
	Valuation Technique				Valuation Technique			
	Level 1	Level 2	Level 3		Level 1	Level 2	Level 3	
	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000	Total \$000	Quoted market price \$000	Observable inputs \$000	Significant non-observable inputs \$000	Total \$000
Council and Group								
Financial assets								
Derivatives	-	4,095	-	4,095	-	5,609	-	5,609
Borrower Notes	-	11,909	-	11,909	-	7,927	-	7,927
Shares	-	-	555	555	-	-	555	555
Financial liabilities								
Derivatives	-	84	-	84	-	11	-	11

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

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

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

	2024 \$000	2023 \$000
Balance at 1 July	555	5,463
Gain and losses recognised in the surplus or deficit	212	-81
Purchases	5,250	3,767
Sales	(1,480)	(667)
Transfers out of level 3	(3,982)	(7,927)
Balance at 30 June	555	555

Changing a valuation assumption to a reasonable possible alternative assumption would not significantly change fair value.

25C. Financial instruments risks

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

Market Risk

Price risk

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

Currency risk

Currency risk is the risk that the fair value or future cash flows of the financial instruments will fluctuate due to changes in foreign exchange rates. As at 30 June council does not have any foreign currency risk (2023: \$nil).

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. Borrowings and investments issued at fixed rates expose Council to fair value interest rate risk. Council's Treasury Risk Management policy outlines the level of borrowing that is to be secured using fixed interest rate instruments.

Cash flow interest rate risk

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

Credit risk

Credit risk is the risk that a third party will default on its obligation to council, causing council to incur a loss. Due to the timing of its cash flows and outflows, council at times invests surplus cash into bank and term deposits which gives rise to credit risk. Council investment policy limits the amount of credit exposure to any one financial institution or organisation. The group only invest funds with entities that have a Standard and Poor's credit rating of at least A-1 for short term and A for long-term investments. Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk. Financial instruments which potentially subject the group to credit risk principally consist of cash and/or cash equivalents, trade and other receivables, other assets, financial guarantees and interest rate swaps and options.

The maximum exposure to credit risk:

	Note	Council		Group	
		2024 \$000	2023 \$000	2024 \$000	2023 \$000
Cash, cash equivalents and term deposits	10.	30,456	10,245	40,665	36,950
Debtors and other receivables	11.	47,316	34,427	47,376	34,571
Other assets	18.	455	455	455	455
Short term deposits with original maturities greater than three months	18.	-	10,000	-	10,000
Loans to related parties	18.	35,700	35,700	-	-
Derivative financial instrument assets (interest rate swaps and options)	12.	4,095	5,609	4,095	5,609
Total credit risk		118,022	96,436	92,591	87,585

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

Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Counterparties with credit ratings				
Cash at bank and term deposits				
AA-	30,456	20,245	40,665	46,950
Total cash at bank and term deposits	30,456	20,245	40,665	46,950
Derivative financial instrument assets				
AA -	4,095	5,609	4,095	5,609
Total derivative financial instrument assets	4,095	5,609	4,095	5,609
Counterparties without credit ratings				
Community and related party loans				
Existing counterparty with no defaults in the past	35,700	35,700	-	-
Total community, development and related party loans	35,700	35,700	-	-

Loans to related parties in the contractual maturity analysis contractual cash flows do not reflect the current year. \$35.7 million is non-current (2023: \$35.7 million non-current).

Debtors and other receivables mainly arise from council's statutory functions. Therefore there are no procedures in place to monitor or report the credit quality of debtors and other receivables with reference to internal or external credit ratings. Council has no significant concentrations of credit risk in relation to debtors and other receivables, as it has a large number of credit customers, mainly ratepayers, and council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity risk management implies maintaining sufficient cash, and the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Council aims to maintain flexibility in funding by keeping committed credit lines available. Council manages its borrowings in accordance with its funding and financial policies. These policies have been adopted as part of the council's long term plan. Council has a policy to maintain the overdraft facility to below \$250,000 at any one time, and has undrawn credit facilities totalling \$60 million (2023: \$45 million).

Contractual maturity analysis of financial liabilities

The table below analyses council's financial liabilities into the relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at balance date. The amounts disclosed are contractual undiscounted cash flows. Financial guarantees are included in the time band containing the earliest date they can be called upon.

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1–3 years	Between 3–5 years	Greater than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000

Council 2024

Trade and other payables	2,397	2,397	2,397	-	-	-
Net settled derivative liabilities	84	84	-	5	29	50
Income tax payable	97	97	97	-	-	-
Secured loans	510,700	531,837	41,656	151,730	145,794	192,657
Total	513,278	534,415	44,150	151,735	145,823	192,707

Group 2024

Trade and other payables	2,397	2,397	2,397	-	-	-
Net settled derivative liabilities	84	84	-	5	29	50
Income tax payable	97	97	97	-	-	-
Secured loans	510,700	531,837	41,656	151,730	145,794	192,657
Total	513,278	534,415	44,150	151,735	145,823	192,707

Council 2023

Trade and other payables	5,076	5,076	5,076	-	-	-
Net settled derivative liabilities	11	11	-	-	-	11
Income tax payable	68	68	68	-	-	-
Secured loans	370,700	381,469	72,034	82,324	103,625	123,486
Total	375,855	386,624	77,178	82,324	103,625	123,497

Group 2023

Trade and other payables	5,076	5,076	5,076	-	-	-
Net settled derivative liabilities	11	11	-	-	-	11
Income tax payable	449	449	449	-	-	-
Secured loans	370,700	381,469	72,034	82,324	103,625	123,486
Total	376,236	387,005	77,559	82,324	103,625	123,497

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

Contractual maturity analysis of financial assets

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

	Carrying amount	Contractual cash flows	Less than 1 year	Between 1–3 years	Between 3–5 years	Greater than 5 years
	\$000	\$000	\$000	\$000	\$000	\$000
Council 2024						
Cash and cash equivalents	30,456	30,456	30,456	-	-	-
Debtors and other receivables	47,316	47,316	47,316	-	-	-
Net settled derivative liabilities	4,095	4,095	3	1,359	835	1,898
Other financial assets:						
– loans to related parties	35,700	35,700	-	35,700	-	-
Total	117,567	117,567	77,775	37,059	835	1,898
Group 2024						
Cash and cash equivalents	40,665	40,665	40,665	-	-	-
Debtors and other receivables	47,376	47,376	47,376	-	-	-
Net settled derivative liabilities	4,095	4,095	3	1,359	835	1,898
Total	92,136	92,136	88,044	1,359	835	1,898
Council 2023						
Cash and cash equivalents	10,245	10,245	10,245	-	-	-
Debtors and other receivables	34,427	34,427	34,427	-	-	-
Net settled derivative liabilities	5,609	5,609	-	480	1,991	3,138
Other financial assets:						
– loans to related parties	35,700	35,700	-	35,700	-	-
Total	85,981	85,981	44,672	36,180	1,991	3,138
Group 2023						
Cash and cash equivalents	36,950	36,950	36,950	-	-	-
Debtors and other receivables	34,571	34,571	34,571	-	-	-
Net settled derivative liabilities	5,609	5,609	-	480	1,991	3,138
Total	77,130	77,130	71,521	480	1,991	3,138

Sensitivity analysis

The tables below illustrate the potential surplus and deficit and equity (excluding accumulated funds) for reasonably possible market movements, with all other variables held constant, based on Council's financial instrument exposure at balance date.

	2024				2023			
	Interest rate risk				Interest rate risk			
	-100bps		+100bps		-100bps		+100bps	
	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000	Surplus \$000	Other equity \$000
Council and Group								
Financial assets								
Derivatives held for trading	(4,073)	-	526	-	(5,308)	-	5,013	-
Financial liabilities								
Derivatives held for trading	(550)	-	3,862	-	(309)	-	292	-
Borrowing:								
– Term loans	1,850	-	(1,850)	-	1,550	-	(1,550)	-
Total sensitivity to interest rate risk	(2,773)	-	2,538	-	(4,067)	-	3,755	-

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

Short-term loans

Council has short term floating rate debt with a principal amount totalling \$nil (2023: \$nil). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$nil (2023: \$nil).

Term loans

Council has term floating rate debt with a principal amount totalling \$185 million (2023: \$155 million). A movement in interest rates of plus or minus 1% has an effect on interest expense of \$1.85M (2023: \$1.55M). A movement in market interest rates on fixed rate debt \$325 million (2023: \$216 million) does not have any impact because secured loans are accounted for at amortised value using the effective interest method.

26. Related party transactions

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

Related party disclosures have not been made for transactions with related parties that are within a normal supplier or client/recipient relationship on terms and conditions no more or less favourable than those that it is reasonable to expect council and group would have adopted in dealing with the party at arms length in the same circumstances.

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

For detailed information on related party transactions with key personnel and elected members, please refer to note 7 and 8.

27. Capital commitments and operating leases

Capital commitments

Commitments for capital expenditure contracted, but not provided for:

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Property, plant and equipment				
– 3 water networks	10,954	16,158	10,954	16,158
– Roading network	–	4,458	–	4,458
– Buildings	8,654	29,333	8,654	29,333
– Other	205	1,308	205	1,940
Total capital commitments	19,813	51,257	19,813	51,889

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

Operating leases as lessee

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Not later than one year	–	25	39	391
Later than one year and not later than five years	–	–	9	648
Later than five years	–	–	–	14
Total non-cancellable operating leases	–	25	48	1,053

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil (2023: \$nil).

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

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

Operating leases as lessor

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

	Council		Group	
	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Not later than one year	567	552	838	879
Later than one year and not later than five years	3,316	3,785	4,111	4,386
Later than five years	-	-	764	15
Total operating leases as lessor	3,883	4,337	5,713	5,280

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

28. Contingencies

Legal proceedings and other disputes

No information has been disclosed as any disclosure may seriously prejudice the outcome. Furthermore, there is a high level of uncertainty relating to the pending expert assessments, involvement of other parties and the potential for partial reimbursement through insurance reducing the level of accuracy of any disclosure.

Unquantified claims

Council was previously a member of the New Zealand Mutual Liability Riskpool scheme ("Riskpool"). The scheme is in run-off, however council has an ongoing obligation to contribute to the scheme should a call be made in respect of any historical claims (to the extent those claims are not covered by reinsurance), and to fund the ongoing operation of the scheme. This likelihood of any call in respect of historical claims diminishes with each year as limitation periods expire. However, as a result of the Supreme Court decision on August 2023 in Napier City Council v Local Government Mutual Funds Trustee Limited, it has been clarified that Riskpool has a liability for that members claim in relation to non-weather-tight defects (in a mixed claim involving both weather-tight and non-weather-tight defects). Riskpool has advised that it is working through the implications of the Supreme Court decision. At this point any potential liability is unable to be quantified.

Associate's contingent liabilities

There are no material contingent liabilities associated with the Wellington Water Limited (associate) (2023: \$nil).

New Zealand Local Government Funding Agency (LGFA)

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

Council is one of 30 local authority shareholders (with the NZ government being the other major shareholder) and 43 additional local authority guarantors of LGFA. LGFA has uncalled capital of \$20m of which Council's share is \$100k. When aggregated with the uncalled capital of other shareholders, \$20m is available in the event that an imminent default is identified. Also, together with the other shareholders and guarantors, council is a guarantor of all of LGFA's borrowings. At 30 June 2024 LGFA had borrowings totalling \$23.84 billion (2023: \$18.57 billion).

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

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

Contingent assets

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

29. Major budget variations

Explanations for major variations from council's budgeted figures in the 2023-2024 annual plan are as follows:

The statement of comprehensive revenue and expenses discloses the financial performance of council and group for the financial year ended 30 June 2024. The statement shows the operating revenue and expenditure as well as other transactions that have impacted on the council's and group's wealth. The following are the significant variances:

- Rates, excluding metered water supply rates is \$0.8M above budget is largely due to high growth together with other minor variances.
- Fees, charges and metered rates for water supply is \$1.7M above budget mainly due to activity volumes being higher than anticipated across a range of areas.
- Development and financial contributions is \$3.8M above budget due to higher development activity occurring in the city than had been budgeted for.
- Subsidies and grants is \$25.1M below budget reflecting the lower than planned achievement of Council's capital programme resulting in lower related subsidy and grant revenue.
- Finance income is \$3.2M above budget higher than anticipated cash holdings and the increasing interest rates being achieved on those holdings.
- Employee costs is \$4.1M above budget mainly due to staff resourcing replacing contractors, higher resourcing costs which are recoverable by fees and Holidays Act compliance provision.
- Finance costs is \$4.6M above budget. This is partially offset by increased finance income and reflects the increase in interest rates on borrowings.
- The above have contributed to net surplus after tax of \$13.1M compared to a budget surplus after tax of \$35.5M.

The statement of financial position (that is, what council own and owe) is as at 30 June 2024. The following are significant variances in the statement of financial position:

- Cash and cash equivalents (including budgeted overdraft) is \$6.6M above budget. Refer to cash flow explanations.
- Debtors and other Receivables is \$26.1M higher than budget mainly due to increase level of capital project subsidy claims lodged at year end including \$9.2M due from Crown Infrastructure Partners Limited, \$8.7M due from Waka Kotahi (NZTA) and \$4.8M for GST refund from IRD.
- Prepayments is \$5.2M above budget. This relates to payments made to Wellington Water Ltd for the July 2024 project and operational costs.
- Property, plant and equipment is \$1,291M above budget – due largely to the revaluation of three water assets as at 31 May 2024.
- Intangible assets is \$4.4M below budget. This is mainly due to Cloud software expenditure intended to be capitalised was transferred to licence fees prepayments as the arrangement does not carry any ownership rights.
- Investments in CCO is \$14.5M below budget. This is mainly due to the additional \$20M loan funding to Urban Plus Limited to complete additional commercial housing developments, which did not proceed as planned.
- Creditors and other payables are \$7.1M above budget. This is due to timing of payments to suppliers for operational and capital expenditure (asset under construction).
- Non-current provisions are \$2.3M above budget resulting from increase level in landfill aftercare provision.
- The accumulation of the above results in Net Assets and Equity being \$1,411M above budgeted level.

The following are significant variances in the statement of cash flows:

- Cash out flow from operations is \$42M below budget relates to lower level of payment to suppliers than expected in the budget. This is mainly due to large claims on capital projects as noted above were expected to have been received in full by year end.
- Cash out flow from Investing \$40.8M above budget relates mainly to on lending to Urban Plus of \$20M not eventuating.
- Cash in flow from financing \$21.5M above budget relates mainly to on lending to Urban Plus of \$20M not eventuating.

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

30. Capital management

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

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

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

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

Council has the following council created reserves:

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

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate. Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves. Interest is added to these reserves where applicable and deductions are made where funds have been used for the purpose they were intended.

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

31. Events after the balance date

Three Waters Reform/ Local Water Done Well

In December 2023 the Government announced a new direction for water services, (drinking water, wastewater and stormwater services) called Local Water Done Well.

The Government has introduced legislation that establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system. It lays the foundation for a new approach to water services management and financially sustainable delivery models that meet regulatory standards.

Local Water Done Well is being implemented in three stages, each with its own piece of legislation. The second stage is underway, with the Local Government (Water Services Preliminary Arrangements) Bill introduced to Parliament on 30 May and the final legislation enacted in late August 2024. A further Bill providing more detail is expected to be introduced in December 2024.

A regional response

One of the legislative requirements is for councils to develop water services delivery plans. With other councils, we have signed a Memorandum of Understanding (MoU) to work together on a plan in response to the Government's Local Water Done Well policy. This MoU was signed by the four Wellington metropolitan councils, GWRC and Kāpiti Coast, Horowhenua, Carterton, South Wairarapa and Masterton District Councils.

An Advisory Oversight Group (AOG) for this regional approach has been established. This is led by Dame Kerry Prendergast and made up of elected members from the 10 councils in the Wellington region and Horowhenua District along with iwi representatives. Our council is represented on the AOG by Mayor Campbell Barry.

AOG Chair Dame Kerry Prendergast says the councils, representing more than half a million people, are committed to the process and are working at pace to ensure the right approach to water management is reached.

Work is at an early stage to examine reasonably practicable options, including continuing the status quo service delivery option and establishing a new water services organisation with other Wellington region councils.

Consultation is likely to be undertaken in 2025 once we have further developed options for consideration.

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

Other legislative disclosures

Local Government Act 2002 – Financial disclosures

The Local Government Act 2002 sets out a number of disclosure requirements for councils over and above the generally accepted accounting practices (GAAP) information. New disclosures were added in legislative changes and additions to the Local Government (Financial Reporting and Prudence) Regulations 2014.

Insurance of assets

Asset type	Policy class	Total declared value	Maximum limit of liability
Buildings, plant and equipment and above ground infrastructure property (land, roading assets and bridges are not insured)	Material damage	\$460,664,300	Natural Catastrophe: \$600 million any one loss or series of losses arising out of any one event and in annual aggregate for all four Councils. All other losses: \$600 million any one loss or series of losses arising out of any one event for all four Councils.
Underground infrastructure assets	Material damage – natural catastrophe only	\$1,736,088,783	Natural Catastrophe: \$600 million each and every loss or series of losses arising out of any one event for all four Councils and limited to a \$350 million sublimit for HCC.
Residential property	Material damage	\$8,011,475	Natural Catastrophe: First \$300,000 per unit to be recovered from the Earthquake Commission. Any remaining top up required per unit to a maximum of \$8,011,475 for 13 units. All other losses e.g. fire: Replacement value per unit to a maximum of \$6,221,000 for 13 units.
Motor vehicle	Comprehensive motor vehicle	\$3,948,326	Market Value of the Insured Vehicle or any Agreed Value as specified in the Schedule of Motor Vehicles. Third party liability – limit any one accident \$20 million.
Fine arts	Material damage	Gallery Collection: \$27,201,166 Exhibitions and Temporary Loans incoming and outgoing: \$2,000,000	Limit and loss: Gallery Collection: \$17,229,295 Exhibitions and Temporary Loans, incoming and outgoing: \$1,500,000 Transit: \$750,000

Rating base information

The Local Government Act (Amendment No. 3) includes a clause 30A in Section 10. The information below satisfies the disclosure requirement of that clause as at 30 June 2024.

Rating system	Capital
Rateable units	42,916
Capital value of rating units	\$41,568,711,700
Total land value of rating units	\$25,593,824,200
Average rates per residential ratepayer	\$3,480

Information on Reserve Funds

Reserves are held to ensure that funds received for a particular purpose are used for that purpose and any surplus created is managed in accordance with the reason for which the reserve was established. Surplus held in reserves are credited with interest. Council holds 14 reserves; four are restricted reserves. Restricted reserves are reserves that have rules set by legal obligation that restrict the use that council may put the funds towards. The remaining council-created reserves are discretionary reserves that Council has established for the fair and transparent use of monies. Reserves are not separately held in cash and the funds are managed as part of Council's treasury management.

Table below contains a list of current reserves outlining the purpose for holding each reserve and the council activity to which each reserve relates, together with summary financial balances for this financial year:

	Opening balance July 2023 \$000	Deposits \$000	Expenditure \$000	Closing balance June 2024 \$000
Council-created reserves – purpose of the fund				
<i>Reserve purchase and development (parks and reserves activity): To provide for the purchase of land for reserves purposes or the development of existing reserves. The fund is made up of financial contributions from subdivision and revenue from the sale of surplus reserve land. The main purpose of the fund is to provide open space and recreational opportunity to offset the effects of land use intensification.</i>	26,123	5,671	(2,478)	29,316
<i>Election fund (managing services activity): To annually provide for the cost of Council elections and by-elections.</i>	150	-	-	150
<i>Landfills reserve (solid waste activity): To set funds aside for the longer-term replacement of the landfill. This figure has been capped at \$12M.</i>	12,000	-	-	12,000
<i>Waste minimisation reserve: To encourage a reduction in the amount of waste generated and disposed of in New Zealand, and to lessen the environmental harm of waste. This reserve was created in 2009 as a result of the Waste Minimisation Act 2008. Funding is distributed to local authorities by the Ministry for the Environment and expenditure includes grants to others, waste minimisation initiative operating expenses and recycling contracts.</i>	248	654	(58)	844
<i>Wingate Landfill reserve (parks and reserves activity): To provide for the development and major maintenance of the former landfill areas (top areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.</i>	188	8	-	196
<i>Wingate Park (parks and reserves activity): To provide for the development and major maintenance of the former landfill areas (bottom areas) at the end of Page Grove, Wingate, now managed as reserve land and used for various recreational activities.</i>	181	9	-	190
<i>Ex-Hillary Commission funds (aquatics and recreation): To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.</i>	7	-	-	7
<i>Ex-Hutt City Community Facilities Trust – Fraser Park Turf long term asset repair and maintenance fund: To provide for the long term maintenance of the named facility.</i>	58	17	-	75
<i>Ex-Hutt City Community Facilities Trust – Ricoh Sport Centre long term asset repair and maintenance fund: To provide for the long term maintenance of the named facility.</i>	13	1	-	14
<i>Ex-Hutt City Community Facilities Trust – Naenae Bowls Centre long term asset repair and maintenance fund: To provide for the long term maintenance of the named facility.</i>	167	20	-	187
Totals	39,135	6,380	(2,536)	42,979

	Opening balance	Deposits	Expenditure	Closing balance
	July 2023 \$000	\$000	\$000	June 2024 \$000
Restricted reserves – purpose of the fund				
<i>Taitā Cemetery – JV Bently (parks and reserves activity):</i> The Council is contracted to maintain Plot 32/33, block 7, St James section in perpetuity. The plots contain Issac Young, Eliza Young and AG Talbut.	3	–	–	3
<i>Lavelle tree bequest (parks and reserves activity):</i> To provide for the planting of trees in and around Lower Hutt on major thoroughfares.	35	2	–	36
<i>ML Talbut Bequest (parks and reserves activity):</i> To provide for the planting and maintenance of reserves.	15	2	–	16
<i>Eastbourne Arts Trust (museums activity):</i> To purchase for the Dowse Collection works of art created by Eastbourne artists, being artists who have or have had a significant association with Eastbourne.	11	1	(8)	4
Totals	64	3	(8)	59

Meeting attendances of elected representatives for the year ended June 2024

Meeting	Council	Policy, Finance & Strategy	Communities, Culture & Partnerships	Infrastructure & Regulatory	Climate Change & Sustainability	Audit & Risk	Long Term Plan/Annual Plan	Hutt Valley Services
Number of meetings held	16	7	5	5	5	6	8	4
C Barry (Mayor)	16	7	4	5	4	3	8	-
G Barratt	13	-	3	2	-	1	8	-
J Briggs	15	-	5	-	4	5	7	-
K Brown	15	7	5	0	3	-	8	-
B Dyer	16	7	-	5	-	-	8	4
S Edwards	15	7	-	5	5	1	8	-
T Lewis (Deputy Mayor)	15	7	4	5	5	-	8	-
A Mitchell	15	6	-	5	5	-	7	-
K Morgan	16	7	5	-	-	6	8	-
C Parkin	16	7	5	-	5	-	8	4
N Shaw	16	-	5	-	5	-	8	2
T Stallinger	16	6	-	3	-	6	8	3
G Tupou	13	-	3	4	-	-	6	-

Meeting	Chief Executive's Performance Review	Traffic	District Plan Review	District Licensing	Briefings
Number of meetings held	5	5	5	4	42
C Barry (Mayor)	5	-	2	-	26
G Barratt	-	5	-	-	19
J Briggs	5	-	5	-	34
K Brown	-	-	-	-	20
B Dyer	-	5	5	2	39
S Edwards	5	-	5	2	41
T Lewis (Deputy Mayor)	5	-	5	-	40
A Mitchell	-	4	5	-	42
K Morgan	5	-	5	-	39
C Parkin	-	5	-	-	42
N Shaw	-	5	5	-	37
T Stallinger	-	-	-	-	37
G Tupou	-	3	-	-	29

Note: Where no number is shown, the councillor named is not a member of that committee. Cr S Edwards was appointed to the Audit and Risk Subcommittee (replacing Cr Barrett) on 28 May 2024

Meeting attendances of elected representatives for the year ended June 2023 – Pre-Election October 2022

Meeting	Council	Policy, Finance & Strategy	Communities	Infrastructure & Regulatory	Climate Change & Sustainability	Audit & Risk	Hutt Valley Services	Chief Executive's Employment
Number of meetings held	4	2	2	2	2	2	1	1
C Barry (Mayor)	4	2	2	2	2	2	-	1
G Barratt	3	2	1	1	-	-	-	-
J Briggs	4	2	2	-	2	2	1	1
K Brown	3	2	2	2	2	-	-	-
B Dyer	4	2	2	2	-	-	1	-
S Edwards	4	2	1	-	2	2	-	1
D Hislop	4	1	1	1	-	-	-	1
T Lewis (Deputy Mayor)	3	2	2	-	2	-	-	1
C Milne	3	1	0	-	-	-	-	-
A Mitchell	4	2	2	2	2	2	-	-
N Shaw	4	2	2	2	2	1	1	-
L Sutton	4	2	1	2	-	-	-	-

Meeting	Traffic	District Plan Review	Briefings
Number of meetings held	1	1	6
C Barry (Mayor)	-	-	6
G Barratt	1	-	2
J Briggs	1	-	6
K Brown	0	1	4
B Dyer	1	1	6
S Edwards	-	1	6
D Hislop	-	-	5
T Lewis (Deputy Mayor)	-	1	6
C Milne	0	1	4
A Mitchell	1	-	6
N Shaw	1	1	6
L Sutton	-	-	2

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

Meeting attendances of elected representatives for the year ended June 2023 – Post-Election October 2022

Meeting	Council	Policy, Finance & Strategy	Communities, Culture & Partnerships	Infrastructure & Regulatory	Climate Change & Sustainability	Audit & Risk	Long Term Plan/Annual Plan	Hutt Valley Services
Number of meetings held	7	2	2	2	2	3	6	2
C Barry (Mayor)	7	2	2	2	2	3	6	-
G Barratt	7	-	2	1	-	2	6	-
J Briggs	7	-	2	-	2	3	6	-
K Brown	6	2	2	1	2	-	4	-
B Dyer	7	2	-	2	-	-	6	2
S Edwards	7	2	-	2	1	-	6	-
T Lewis (Deputy Mayor)	7	2	2	2	2	-	6	-
A Mitchell	7	2	-	2	2	-	6	-
K Morgan	6	2	1	-	-	2	3	-
C Parkin	7	2	2	-	2	-	6	2
N Shaw	7	-	1	-	1	-	6	4
T Stallinger	7	2	-	2	-	3	6	2
G Tupou	7	-	2	2	-	-	6	-

Meeting	Chief Executive's Performance Review	Traffic	District Plan Review	District Licensing	Briefings
Number of meetings held	1	3	1	1	26
C Barry (Mayor)	1	-	1	-	22
G Barratt	-	3	-	-	15
J Briggs	1	-	1	-	20
K Brown	-	-	-	-	19
B Dyer	-	3	1	1	24
S Edwards	1	-	1	1	21
T Lewis (Deputy Mayor)	1	-	1	-	23
A Mitchell	-	3	1	-	26
K Morgan	1	-	1	-	26
C Parkin	-	3	-	-	24
N Shaw	-	2	0	-	23
T Stallinger	-	-	-	-	25
G Tupou	-	3	-	-	19

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



Paerewa matawhāiti

Prudence benchmarks

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

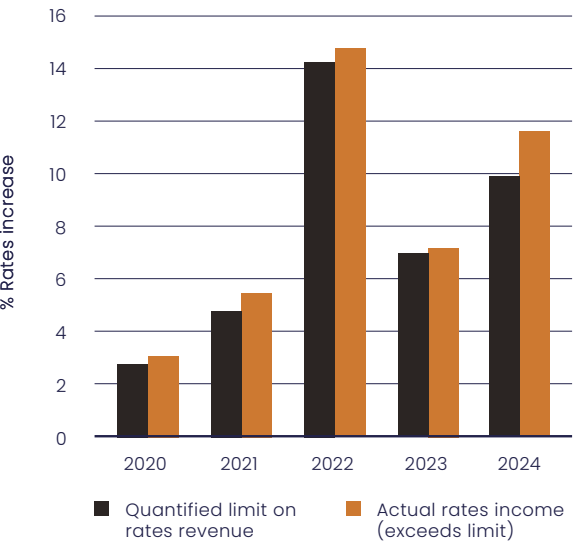
The Council is required to include these prudence benchmarks in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations 2014 (the regulations). Refer to the regulations for more information, including definitions of some of the terms used in this statement.

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

Rates (increase) affordability benchmark

Meets the affordability benchmark if rates increase is within a quantified limit.

The following graph compares the council's proposed rates income with a quantified limit on rates contained in the Financial Strategy in the 10-year plan. The quantified limits is set to enable the achievement of a balanced budget by 2028-29. 2021-22 includes the impact of the introducing the new rates funded rubbish, recycling and green waste services. The rates income for 2022-23 was slightly above the limited set primarily due to growth in the city being higher than anticipated and other minor rating databases changes that have occurred in the city.

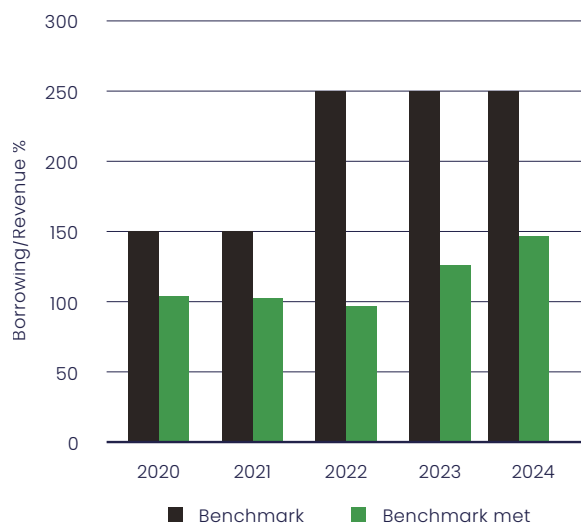


Debt affordability benchmark

Council meets its affordability benchmarks if borrowing is within each quantified limit on borrowing set in its financial strategy.

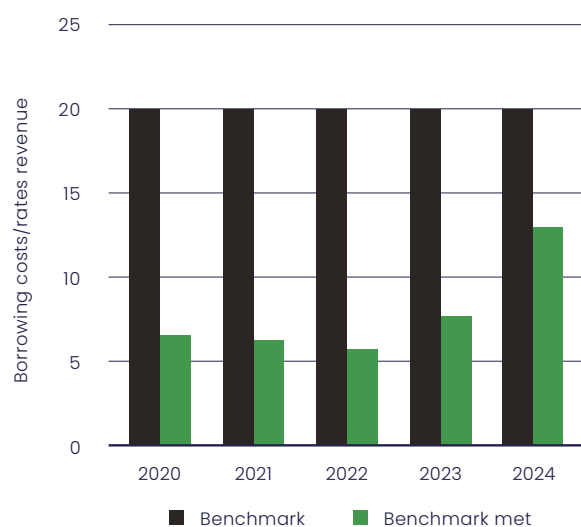
1: Debt affordability benchmark (debt as percentage of revenue)

The following graph compares Council's actual borrowings with a quantified limit on borrowing stated in the Financial Strategy including in the Long-Term Plan. The quantified limit increased to 250% as part of the Long-Term Plan 2021-31. Council has remained within the borrowing limits set in that plan.



2: Debt affordability benchmark (interest costs/rates revenue)

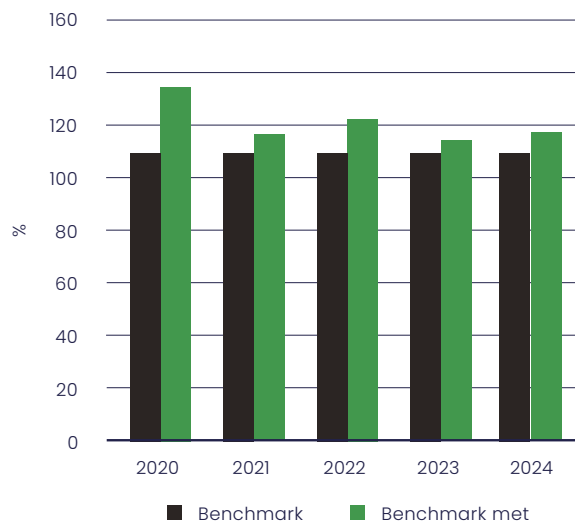
Meets the debt affordability benchmark if its interest costs for the year less than 20 per cent of its rates revenue.



3: Debt affordability benchmark (liquidity)

Council meets the benchmark if liquidity is above 110%.

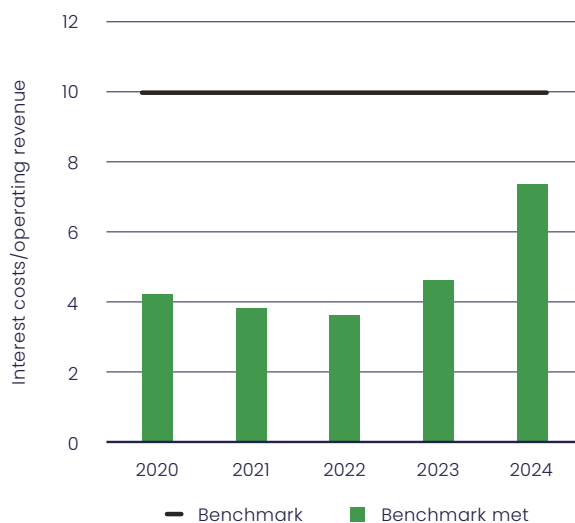
The following graph displays the Council's gross debt levels (including standby facilities and cash holdings) compared to actual debt levels.



Debt servicing benchmark

Council meets the debt servicing benchmark if its borrowing costs for the year equals or are less than 10 per cent of its revenue (excluding development contributions, financial contributions, vested assets, gains on derivate financial instruments and revaluation of Property, Plant and Equipment).

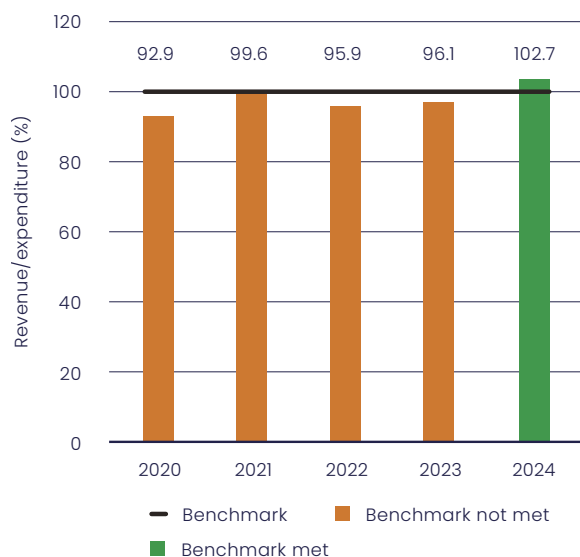
The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivate financial instruments and revaluation of Property, Plant and Equipment).



Balanced budget benchmark

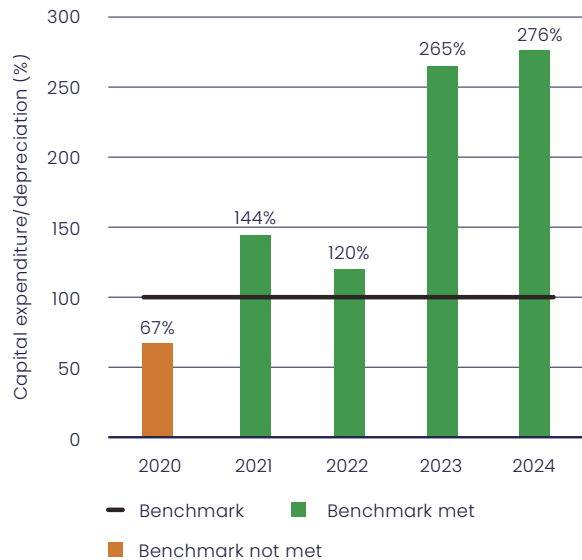
Council meets the balanced budget benchmark for each year if its revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments and revaluation on property, plant or equipment) exceeds its operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant or equipment).

This benchmark is similar to the balanced benchmark measure adopted by council as part of its Financial Strategy in the Long-Term Plan 2021-2023. Council believes its own measure is more relevant to measuring whether its day to day income covers its day to day operating costs. The main differences between the two measures are that the council measure removes capital improvements subsidies, grant revenue from infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku. The results of the council's measure can be found under financial sustainability in section one of this annual report.



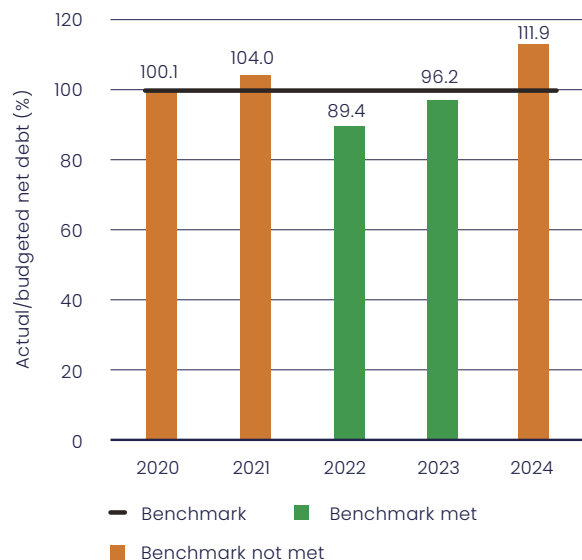
Essential services benchmark

The following graph displays council's capital expenditure on network services as a proportion of depreciation on network services. Council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



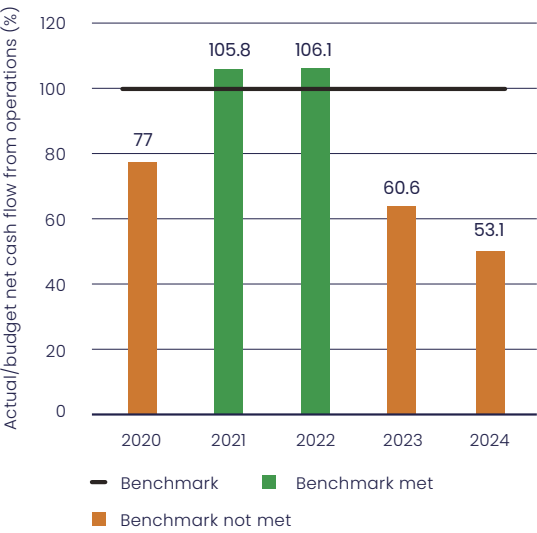
Debt control benchmark

The following graph displays council's actual net debt as a proportion of planned net debt. In this statement, net debt means financial liabilities less financial assets (excluding trade and other receivables). Council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

The following graph displays council's actual net cash flow from operations as a proportion of its planned net cash flow from operations. Council meets the operational control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Tauākī pāpātanga tahua

Funding impact statements

Water supply Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	22,341	20,295	20,374	24,927	22,494	22,816
Subsidies and grants for operating purposes	-	-	(72)	-	-	72
Fees and charges	3,730	3,730	3,772	3,838	4,716	5,006
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	120	120	1,916	123	122	909
Total operating funding (A)	26,191	24,145	25,990	28,888	27,333	28,804
Applications of operating funding						
Payments to staff and suppliers	19,978	19,344	20,990	21,772	25,726	26,217
Finance costs	595	559	955	831	1,896	2,090
Internal charges and overheads applied	612	689	689	612	664	664
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	21,185	20,592	22,634	23,215	28,286	28,971
Surplus (deficit) of operating funding (A-B)	5,006	3,553	3,356	5,673	(953)	(167)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	1,033	1,033	833	1,163	1,163	1,837
Increase (decrease) in debt	6,403	4,629	13,990	4,717	25,562	29,995
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	7,436	5,662	14,822	5,880	26,725	31,832
Application of capital funding						
Capital expenditure						
- to meet additional demand	956	1,913	-	1,305	496	491
- to improve level of service	4,612	3,105	5,825	2,111	4,823	5,222
- to replace existing assets	6,874	4,197	12,352	8,137	20,454	25,952
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	12,442	9,215	18,178	11,553	25,772	31,665
Surplus (deficit) of capital funding (C-D)	(5,006)	(3,553)	(3,356)	(5,673)	953	167
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Wastewater Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	24,632	23,368	23,404	27,554	25,839	26,046
Subsidies and grants for operating purposes	2,611	2,716	2,861	2,687	3,234	3,409
Fees and charges	1,088	1,088	1,492	1,119	1,207	1,604
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	120	120	1,836	123	122	535
Total operating funding (A)	28,451	27,292	29,593	31,483	30,402	31,594
Applications of operating funding						
Payments to staff and suppliers	16,515	16,506	15,708	17,288	20,147	18,593
Finance costs	1,053	1,388	2,006	1,642	3,077	3,391
Internal charges and overheads applied	1,062	1,132	1,132	1,067	1,098	1,098
Other operating funding applications	-	-	2	-	-	(17)
Total applications of operating funding (B)	18,630	19,026	18,848	19,997	24,322	23,065
Surplus (deficit) of operating funding (A-B)	9,821	8,266	10,745	11,486	6,080	8,529
Sources of capital funding						
Subsidies and grants for capital expenditure	5,520	5,951	8,505	5,420	6,788	3,472
Development and financial contributions	669	669	2,327	775	775	2,184
Increase (decrease) in debt	17,177	14,297	26,607	14,516	27,170	24,237
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	23,366	20,917	37,439	20,711	34,733	29,893
Application of capital funding						
Capital expenditure						
- to meet additional demand	2,713	2,937	3,292	4,664	7,968	4,392
- to improve level of service	3,148	1,337	3,609	10,794	6,462	1,957
- to replace existing assets	27,326	24,910	41,283	16,739	26,383	32,074
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	33,187	29,184	48,184	32,197	40,813	38,422
Surplus (deficit) of capital funding (C-D)	(9,821)	(8,266)	(10,745)	(11,486)	(6,080)	(8,529)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Stormwater Funding impact statement

For the year
ended 30 June

	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	6,943	7,065	6,692	7,613	8,971	9,252
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	9	9	5	9	9	5
Fees and charges	12	12	44	12	12	17
Internal charges and overheads recovered	3,346	3,485	2,892	3,042	3,607	3,745
Local authorities fuel tax, fines, infringement fees, and other receipts	120	120	1,760	123	122	859
Total operating funding (A)	10,430	10,691	11,393	10,799	12,721	13,877
Applications of operating funding						
Payments to staff and suppliers	5,105	5,085	5,290	5,025	6,223	6,369
Finance costs	305	234	286	394	506	558
Internal charges and overheads applied	335	392	392	332	384	384
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	5,745	5,711	5,968	5,751	7,113	7,311
Surplus (deficit) of operating funding (A-B)	4,685	4,980	5,425	5,048	5,608	6,566
Sources of capital funding						
Subsidies and grants for capital expenditure	-	550	-	-	3,010	-
Development and financial contributions	108	108	272	119	119	215
Increase (decrease) in debt	(677)	(2,230)	(2,537)	(2,187)	1,427	(2,873)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	(569)	(1,572)	(2,265)	(2,068)	4,556	(2,658)
Application of capital funding						
Capital expenditure						
- to meet additional demand	187	68	114	57	6,199	767
- to improve level of service	1,502	1,077	1,220	198	2,596	362
- to replace existing assets	2,427	2,263	1,826	2,725	1,369	2,780
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	4,116	3,408	3,160	2,980	10,164	3,908
Surplus (deficit) of capital funding (C-D)	(4,685)	(4,980)	(5,425)	(5,048)	(5,608)	(6,566)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Solid waste Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	10,045	10,146	10,332	10,424	12,204	12,132
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	21,188	22,841	26,357	29,346	30,698	30,912
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	89	-	-	67
Total operating funding (A)	31,233	32,987	36,779	39,770	42,902	43,110
Applications of operating funding						
Payments to staff and suppliers	20,689	21,677	25,152	25,884	28,438	26,852
Finance costs	655	983	714	773	439	685
Internal charges and overheads applied	864	985	(1,240)	862	958	678
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	22,208	23,645	24,626	27,519	29,835	28,215
Surplus (deficit) of operating funding (A-B)	9,025	9,342	12,153	12,251	13,067	14,896
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(1,323)	(1,645)	(8,213)	(9,694)	(2,324)	(6,181)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	(1,323)	(1,645)	(8,213)	(9,694)	(2,324)	(6,181)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	7,702	7,697	3,939	2,557	10,743	8,715
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	7,702	7,697	3,939	2,557	10,743	8,715
Surplus (deficit) of capital funding (C-D)	(9,025)	(9,342)	(12,153)	(12,251)	(13,067)	(14,896)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Sustainability & resilience Funding impact statement

For the year
ended 30 June

	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	952	1,280	1,710	1,200	1,152	896
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	278	-	-	-	-	-
Fees and charges	95	95	-	119	118	80
Internal charges and overheads recovered	459	631	739	479	463	363
Local authorities fuel tax, fines, infringement fees, and other receipts	690	1,010	1,058	710	1,984	2,327
Total operating funding (A)	2,474	3,016	3,507	2,508	3,717	3,665
Applications of operating funding						
Payments to staff and suppliers	1,885	2,396	2,720	1,944	3,067	3,077
Finance costs	13	59	96	18	77	85
Internal charges and overheads applied	561	555	555	531	539	379
Other operating funding applications	-	-	56	-	-	-
Total applications of operating funding (B)	2,459	3,010	3,427	2,493	3,683	3,541
Surplus (deficit) of operating funding (A-B)	15	6	80	15	34	124
Sources of capital funding						
Subsidies and grants for capital expenditure	-	278	237	-	255	44
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	366	284	379	(15)	(289)	(168)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	366	562	616	(15)	(34)	(124)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	381	568	696	-	-	-
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	381	568	696	-	-	-
Surplus (deficit) of capital funding (C-D)	(15)	(6)	(80)	(15)	(34)	(124)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Regulatory services Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	2,762	3,248	4,829	2,882	4,339	7,957
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	7,015	8,405	8,487	7,250	8,697	8,836
Internal charges and overheads recovered	1,331	1,602	2,088	1,152	1,745	3,220
Local authorities fuel tax, fines, infringement fees, and other receipts	1,211	1,297	1,208	1,248	1,354	983
Total operating funding (A)	12,319	14,552	16,612	12,532	16,135	20,996
Applications of operating funding						
Payments to staff and suppliers	8,599	10,452	12,370	8,871	11,910	16,530
Finance costs	14	77	95	16	184	203
Internal charges and overheads applied	3,609	3,969	3,969	3,562	3,951	3,952
Other operating funding applications	-	-	-	-	-	23
Total applications of operating funding (B)	12,222	14,498	16,434	12,449	16,045	20,707
Surplus (deficit) of operating funding (A-B)	97	54	177	83	90	289
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(97)	(54)	(177)	(83)	(90)	(289)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	(97)	(54)	(177)	(83)	(90)	(289)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(97)	(54)	(177)	(83)	(90)	(289)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Transport Funding impact statement

For the year
ended 30 June

	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	18,735	19,415	20,920	22,407	24,021	23,292
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	4,753	5,103	4,980	4,901	4,482	6,372
Fees and charges	4,657	4,657	5,604	4,792	5,516	5,761
Internal charges and overheads recovered	9,026	9,576	9,041	8,953	9,658	9,427
Local authorities fuel tax, fines, infringement fees, and other receipts	1,055	1,055	3,938	1,086	1,094	2,029
Total operating funding (A)	38,226	39,807	44,482	42,139	44,771	46,882
Applications of operating funding						
Payments to staff and suppliers	15,237	15,663	21,629	15,700	19,082	22,296
Finance costs	1,419	1,359	1,337	1,957	1,566	1,726
Internal charges and overheads applied	3,295	4,657	4,740	3,264	4,414	4,855
Other operating funding applications	-	-	-	-	-	6
Total applications of operating funding (B)	19,951	21,679	27,706	20,921	25,062	28,883
Surplus (deficit) of operating funding (A-B)	18,275	18,128	16,776	21,218	19,709	17,998
Sources of capital funding						
Subsidies and grants for capital expenditure	12,956	31,969	17,094	17,201	39,107	25,808
Development and financial contributions	366	366	409	428	428	712
Increase (decrease) in debt	(7,761)	1,898	(8,491)	(8,008)	7,216	(2,568)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	5,561	34,233	9,012	9,621	46,751	23,952
Application of capital funding						
Capital expenditure						
- to meet additional demand	283	333	159	2,031	1,226	676
- to improve level of service	15,027	40,776	18,711	19,982	54,962	31,999
- to replace existing assets	8,526	11,252	6,918	8,826	10,272	9,275
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	23,836	52,361	25,788	30,839	66,460	41,950
Surplus (deficit) of capital funding (C-D)	(18,275)	(18,128)	(16,776)	(21,218)	(19,709)	(17,998)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

City development Funding impact statement

For the year
ended 30 June

	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	11,725	12,667	7,795	7,126	10,824	7,797
Targeted rates	145	154	154	149	154	158
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	298	162	177	86	84	91
Internal charges and overheads recovered	5,648	6,248	3,369	2,846	4,351	3,156
Local authorities fuel tax, fines, infringement fees, and other receipts	-	65	88	-	-	111
Total operating funding (A)	17,816	19,296	11,583	10,207	15,413	11,313
Applications of operating funding						
Payments to staff and suppliers	14,964	15,456	7,997	6,901	11,039	6,727
Finance costs	635	1,406	1,146	1,188	2,053	2,263
Internal charges and overheads applied	2,217	2,434	2,435	2,118	2,309	2,319
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	17,816	19,296	11,578	10,207	15,401	11,309
Surplus (deficit) of operating funding (A-B)	-	-	5	-	12	4
Sources of capital funding						
Subsidies and grants for capital expenditure	7,491	1,634	254	9,898	5,977	1,256
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	32,645	23,022	19,328	34,053	24,585	14,952
Gross proceeds from sale of assets	-	1,024	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	40,136	25,680	19,582	43,951	30,562	16,207
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	1,389	21	-	2,060	23
- to improve level of service	40,136	24,291	19,566	43,951	28,514	16,188
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	40,136	25,680	19,587	43,951	30,574	16,211
Surplus (deficit) of capital funding (C-D)	-	-	(5)	-	(12)	(4)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Community partnering & support Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	7,142	7,085	7,144	7,539	7,380	7,384
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	5	5	-	5	5	1
Fees and charges	451	446	467	464	461	459
Internal charges and overheads recovered	3,441	3,495	3,088	3,013	2,967	2,989
Local authorities fuel tax, fines, infringement fees, and other receipts	164	1,176	899	169	1,016	1,305
Total operating funding (A)	11,203	12,207	11,599	11,190	11,829	12,138
Applications of operating funding						
Payments to staff and suppliers	7,784	8,626	8,145	7,618	8,337	8,589
Finance costs	78	196	191	103	247	272
Internal charges and overheads applied	1,648	1,885	1,885	1,632	1,798	1,798
Other operating funding applications	-	-	45	-	-	8
Total applications of operating funding (B)	9,510	10,707	10,266	9,353	10,382	10,668
Surplus (deficit) of operating funding (A-B)	1,693	1,500	1,333	1,837	1,447	1,470
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(866)	(46)	(777)	(628)	(389)	(951)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	(866)	(46)	(777)	(628)	(389)	(951)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	108	108	122	743	594	99
- to replace existing assets	719	1,346	434	466	464	420
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	827	1,454	556	1,209	1,058	519
Surplus (deficit) of capital funding (C-D)	(1,693)	(1,500)	(1,333)	(1,837)	(1,447)	(1,470)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Open spaces, parks & reserves Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	12,024	12,795	13,175	13,588	14,498	14,035
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	6	6	6	6	6	(4)
Fees and charges	1,515	1,539	1,628	1,507	1,553	1,705
Internal charges and overheads recovered	5,794	6,311	5,694	5,429	5,830	5,680
Local authorities fuel tax, fines, infringement fees, and other receipts	56	55	65	58	108	650
Total operating funding (A)	19,395	20,705	20,568	20,588	21,995	22,066
Applications of operating funding						
Payments to staff and suppliers	12,929	14,908	15,635	12,556	16,523	16,566
Finance costs	647	732	478	894	669	737
Internal charges and overheads applied	1,183	1,470	1,470	1,159	1,406	1,406
Other operating funding applications	-	-	43	-	-	-
Total applications of operating funding (B)	14,759	17,110	17,627	14,609	18,598	18,710
Surplus (deficit) of operating funding (A-B)	4,636	3,595	2,941	5,979	3,397	3,356
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	670	-	100	11
Development and financial contributions	617	617	4,800	635	2,500	3,849
Increase (decrease) in debt	6,799	4,028	(3,518)	6,193	(513)	(1,517)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	7,416	4,645	1,952	6,828	2,087	2,342
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	1,400	1,358
- to improve level of service	2,162	3,205	2,278	1,090	953	2,235
- to replace existing assets	9,890	5,035	2,615	11,717	3,131	2,106
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	12,052	8,240	4,893	12,807	5,484	5,698
Surplus (deficit) of capital funding (C-D)	(4,636)	(3,595)	(2,941)	(5,979)	(3,397)	(3,356)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Connectivity, creativity learning & recreation Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	16,214	17,073	18,552	17,677	18,599	19,685
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	83	35	116	84	36	21
Fees and charges	4,289	3,742	3,645	4,532	4,080	4,014
Internal charges and overheads recovered	7,813	8,421	10,167	7,063	7,478	7,967
Local authorities fuel tax, fines, infringement fees, and other receipts	941	713	709	969	722	860
Total operating funding (A)	29,340	29,984	33,190	30,325	30,915	32,548
Applications of operating funding						
Payments to staff and suppliers	17,089	15,252	16,424	17,564	16,154	17,139
Finance costs	1,038	2,025	2,292	1,372	2,780	3,064
Internal charges and overheads applied	6,535	7,951	10,099	6,474	7,720	7,720
Other operating funding applications	-	-	265	-	-	306
Total applications of operating funding (B)	24,662	25,228	29,080	25,410	26,654	28,229
Surplus (deficit) of operating funding (A-B)	4,678	4,756	4,110	4,915	4,261	4,319
Sources of capital funding						
Subsidies and grants for capital expenditure	8,000	12,150	4,063	12,100	17,550	8,185
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	12,018	18,597	21,516	13,459	8,862	13,172
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	20,018	30,747	25,579	25,559	26,412	21,357
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	21,738	31,344	27,766	28,430	27,213	23,273
- to replace existing assets	2,958	4,159	1,923	2,044	3,460	2,403
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	24,696	35,503	29,689	30,474	30,673	25,676
Surplus (deficit) of capital funding (C-D)	(4,678)	(4,756)	(4,110)	(4,915)	(4,261)	(4,319)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Governance, strategy and partnerships

Funding impact statement

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	4,851	5,000	5,177	5,079	5,136	5,038
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-
Internal charges and overheads recovered	2,337	2,466	2,237	2,029	2,065	2,039
Local authorities fuel tax, fines, infringement fees, and other receipts	241	156	197	-	-	-
Total operating funding (A)	7,429	7,622	7,612	7,108	7,201	7,077
Applications of operating funding						
Payments to staff and suppliers	3,371	3,449	3,375	3,004	3,117	2,986
Finance costs	-	-	-	-	-	-
Internal charges and overheads applied	4,055	4,199	4,202	4,104	4,083	4,084
Other operating funding applications	-	-	30	-	-	-
Total applications of operating funding (B)	7,426	7,648	7,607	7,108	7,201	7,070
Surplus (deficit) of operating funding (A-B)	3	(26)	5	-	-	7
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	-	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	(3)	26	(5)	-	-	(7)
Gross proceeds from sale of assets	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	(3)	26	(5)	-	-	(7)
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	-	-	-	-	-	-
- to replace existing assets	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	-	-	-	-	-	-
Surplus (deficit) of capital funding (C-D)	(3)	26	(5)	-	-	(7)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Corporate services Funding impact statement

For the year
ended 30 June

	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-
Targeted rates	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	10	844	-	11	422
Fees and charges	1,136	1,107	1,549	1,169	1,436	1,817
Internal charges and overheads recovered	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,287	1,838	5,570	1,528	3,842	7,070
Total operating funding (A)	2,423	2,955	7,963	2,697	5,289	9,309
Applications of operating funding						
Payments to staff and suppliers	20,942	27,182	25,853	20,369	25,840	25,510
Finance costs	1,436	1,595	1,602	1,523	3,575	6,590
Internal charges and overheads applied	13,221	11,915	8,992	8,289	8,840	9,260
Other operating funding applications	-	-	-	-	-	-
Total applications of operating funding (B)	35,599	40,691	36,447	30,181	38,255	41,360
Surplus (deficit) of operating funding (A-B)	(33,176)	(37,736)	(28,484)	(27,484)	(32,966)	(32,051)
Sources of capital funding						
Subsidies and grants for capital expenditure	-	-	(8)	-	-	-
Development and financial contributions	-	-	-	-	-	-
Increase (decrease) in debt	40,479	41,913	30,096	31,692	36,512	33,797
Gross proceeds from sale of assets	9	(9)	-	438	436	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	40,488	41,904	30,088	32,130	36,948	33,797
Application of capital funding						
Capital expenditure						
- to meet additional demand	-	-	-	-	-	-
- to improve level of service	6,139	2,952	860	3,296	2,619	1,017
- to replace existing assets	1,173	1,216	744	1,350	1,363	729
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	7,312	4,168	1,604	4,646	3,982	1,746
Surplus (deficit) of capital funding (C-D)	33,176	37,736	28,484	27,484	32,966	32,051
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Council Funding impact statement

For the year
ended 30 June

	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Sources of operating funding						
General rates, uniform annual general charges, rates penalties	81,348	85,628	85,994	85,111	94,916	95,014
Targeted rates	57,164	53,963	54,265	63,054	60,696	61,474
Subsidies and grants for operating purposes	7,745	7,885	8,739	7,692	7,783	10,298
Fees and charges	45,474	47,824	53,222	54,234	58,578	60,300
Internal charges and overheads recovered	-	-	-	-	-	-
Interest & dividends from investments	917	1,416	1,496	1,143	3,442	6,603
Local authorities fuel tax, fines, infringement fees, and other receipts	5,088	6,312	17,837	4,994	7,044	11,103
Total operating funding (A)	197,735	203,027	221,552	216,228	232,459	244,793
Applications of operating funding						
Payments to staff and suppliers	165,087	175,996	181,288	164,496	195,604	197,453
Finance costs	7,888	10,613	11,196	10,711	17,070	21,663
Internal charges and overheads applied	-	-	-	-	-	-
Other operating funding applications	-	-	442	-	-	325
Total applications of operating funding (B)	172,975	186,609	192,927	175,207	212,674	219,441
Surplus (deficit) of operating funding (A-B)	24,760	16,418	28,626	41,021	19,785	25,352
Sources of capital funding						
Subsidies and grants for capital expenditure	33,967	52,533	30,814	44,619	72,787	38,775
Development and financial contributions	2,794	2,794	8,640	3,120	4,985	8,798
Increase (decrease) in debt	105,158	104,718	88,193	84,016	127,729	101,588
Gross proceeds from sale of assets	9	1,015	-	438	436	-
Lump sum contributions	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-
Total sources of capital funding (C)	141,928	161,060	127,648	132,193	205,937	149,160
Application of capital funding						
Capital expenditure						
- to meet additional demand	4,139	6,640	5,524	8,057	19,349	7,707
- to improve level of service	102,655	116,462	82,655	113,152	139,478	91,066
- to replace existing assets	59,893	54,375	68,093	52,004	66,896	75,739
Increase (decrease) in reserves	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-
Total applications of capital funding (D)	166,687	177,477	156,273	173,213	225,722	174,512
Surplus (deficit) of capital funding (C-D)	(24,760)	(16,418)	(28,626)	(41,021)	(19,785)	(25,352)
Funding balance ((A-B)+(C-D))	-	-	-	-	-	-

Reconciliation of Financial Statements to Funding Impact Statements

For the year ended 30 June	2021-31 LTP (Year 2)	Annual Plan	Actual	2021-31 LTP (Year 3)	2023-24 AP	Actual
	2023 \$000	2023 \$000	2023 \$000	2024 \$000	2024 \$000	2024 \$000
Total revenue from Prospective Statement of Comprehensive Income	228,973	253,369	252,496	258,547	303,445	288,569
Less capital contributions	(31,241)	(50,345)	(30,949)	(42,319)	(70,983)	(44,101)
Funding Impact Statement Total Operating Funding (A)	197,732	203,024	221,547	216,228	232,461	244,468
Total expenditure from Prospective Statement of Comprehensive Income	225,797	237,482	240,641	235,917	267,942	275,322
Less depreciation	(52,822)	(50,876)	(47,716)	(60,710)	(55,271)	(54,607)
Funding Impact Statement Total Applications of Operating Funding (B)	172,975	186,606	192,925	175,207	212,671	220,714
Net Surplus per Prospective Statement of Comprehensive Income	3,176	15,887	11,855	22,630	35,503	13,247
Add depreciation expense	52,822	50,876	47,716	60,710	55,271	54,607
Less capital contributions	(31,241)	(50,345)	(30,949)	(42,319)	(70,983)	(44,101)
Funding Impact Statement Surplus (Deficit) of Operating Funding (A-B)	24,757	16,418	28,622	41,021	19,790	23,753
Surplus (deficit) of Operating Funding (A-B)	-	-	-	-	-	-
Total capital source of funding						
Add capital contributions	31,241	50,345	30,949	42,319	70,983	44,101
UHCC subsidy	5,520	4,981	8,505	5,420	6,788	3,472
Add depreciation	52,822	50,876	47,716	60,710	55,271	54,607
Asset sales	9	1,015	-	438	436	-
Loan funding	77,095	70,260	69,104	64,326	92,246	72,332
Total Sources of Capital Funding (C)	166,687	177,477	156,274	173,213	225,724	174,512
Total Application of Capital Funding (D)	166,687	177,477	156,274	173,213	225,724	174,512
Difference of Capital Funding (C-D)	-	-	-	-	-	-

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ĀpitiHanga 1: Kuputaka

Appendix 1: Glossary

10 Year Plan – A plan that describes the activities of a local authority, its community outcomes, and its long-term focus in terms of decisions and activities. This is the same as our Long Term Plan (LTP).

Activity statement – This statement describes the amount of money needed to operate and maintain facilities and services and to cover capital expenses within an activity function.

Annual Plan – A plan that describes the activities of the local authority in relation to the LTP, with a particular focus on the financial year for which the document is produced.

Asset – Something of value that Council owns on behalf of the people of Te Awa Kairangi ki Tai Lower Hutt, such as roads, drains, parks, and buildings.

Asset Management Plan – A long-term plan for managing an asset to ensure that it continues to have the capacity to provide an agreed level of service and that costs over the life of the asset are minimised.

Assumptions / assumed – Refers to accepting certain conditions or premises as true or valid without explicit confirmation, often used as the basis for decision-making or planning.

Balanced operating budget – A balanced operating budget occurs when a Council's projected operating revenue matches or exceeds its planned operating expenditure, ensuring that the Council does not spend more than it earns.

Borrowings – Refers to obtaining funds from external sources, typically through loans or bonds, to finance projects or cover expenses.

Capital expenditure – Money spent on acquiring or building long-term Council assets.

Capital value – The value of land plus additions such as buildings, driveways, and fences.

Central Business District (CBD) – Te Awa Kairangi ki Tai Lower Hutt's city centre.

Community boards – A local elected body set up under the Local Government Act 2002. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone, and Wainuiomata.

Compliance – Compliance refers to adhering to relevant laws, regulations, policies, and standards set forth by governing bodies or authorities, ensuring that the Council operates within legal and ethical boundaries.

Consultation document – A document that clearly explains matters proposed to be included in the 10 Year Plan and provides an opportunity for the public to participate in decision-making. It explains objectives, significant issues, and how rates, debt, and levels of service might be affected as a result of those decisions. The content requirements of the consultation document are set out in the Local Government Act 2002.

Council-controlled organisation (CCO) – A company or trust, in which Council is at least a 50% shareholder that independently manages facilities, delivers services, and undertakes developments on behalf of the Te Awa Kairangi ki Tai Lower Hutt community. Where necessary, Council provides operational funding to these organisations.

Critical infrastructure – Assets which provide critical services and failure of which could result in major outages or disruptions to service such as reservoirs, pumping stations, and main network pipes.

Democracy – A way Council govern themselves. It can be used to mean community participation in decision-making between elections, as well as at elections.

Depreciation (amortisation) – An expense charged each year to reflect the estimated cost of using our assets over their lives. Amortisation relates to intangible assets such as software (as distinct from physical assets, which are covered by the term depreciation).

Development contribution – A payment made by a developer to cover part of the costs of providing infrastructure to a new development, i.e. growth-related cost.

Employee costs – The costs of all staff expenditure, including wages, salaries and related taxes, training, and recruitment costs. Remuneration of elected and appointed representatives is also included under this heading. This does not include CCO director fees, which are included in operating expenditure.

Financial year – Council's financial year runs from 1 July to 30 June of the following year.

General rates – The rates levied on most properties for general services including residential, rural, business, and utility. They are levied on the basis of zoning, land use and capital value.

Grant or subsidy – Money given from local or central government or other funds to a person or group for a specified purpose.

Hearing – Meeting at which members of the public speak formally to elected representatives and/or staff about an issue.

Income – Revenue gained from all sources during the year, such as rates, grants, special funds, subsidies, and fees and charges. Income does not include loans or the proceeds in excess of the net book value from the sale of assets.

Inflation – Inflation is the gradual increase in the prices of goods and services in an economy over time.

Infrastructure – The stock of fixed capital equipment that helps a community to function. This includes the pipes and machinery that allow councils to collect and manage water, wastewater, stormwater, and rubbish, as well as assets such as roads and buildings.

Intergenerational equity – Refers to the principle of ensuring fairness and sustainability in decision-making processes that impact present and future generations, aiming to distribute resources, benefits, and burdens fairly across different generations while preserving the environment and meeting the needs of both current and future residents.

Local Government Act 2002 – The key legislation that defines the powers and responsibilities of local authorities like Hutt City Council.

Long Term Plan (LTP) – See 10 Year Plan, above.

Maintenance costs – Money spent to keep the Council's assets in working condition, such as repairs and maintenance.

Mana Whenua – Māori who have historic and territorial rights over the land. Mana Whenua refers to iwi and hapū who have these rights in Te Awa Kairangi ki Tai Lower Hutt. The tribe's history and legends are based in the lands they have occupied over generations and the land enables and sustains the people, the places, and the processes of te ao Māori (Māori worldview).

Operating expenditure – Money spent on the day-to-day operations of the 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.

Policy – A policy is a predetermined course of action or set of guidelines established by the Council to guide decision-making, address specific issues, or achieve particular goals within the community.

PPE – An accounting term for property, plant, and equipment representing all the assets of the Council, such as land buildings, pipes, roads, and community facilities.

Rates – A form of property tax. In Te Awa Kairangi ki Tai Lower Hutt, we have both General rates and Targeted rates. General rates are based on a property's capital value, and Council use this money to invest in things like footpaths and libraries. Targeted rates are a fixed amount for each rating unit or separately used and inhabitable part (SUIP) of a rating unit. Targeted rates pay for things like water or wastewater.

Residents Satisfaction Survey (RSS) – This survey is conducted using a panel system, where a group of residents receive surveys to provide feedback on the city.

Resource consent – Where a Council, using delegated authority under the Resource Management Act, gives an applicant permission for a particular land use activity.

Resource Management Act (RMA) – Resource Management Act is New Zealand's main piece of legislation that sets out how Council should manage our environment.

Revenue – Revenue represents the income generated by the Council through various sources, such as taxes, fees, grants, and other sources, which are crucial for funding public services and initiatives within the community.

Significance – The degree of importance of an issue, proposal, decision, or matter as assessed by a local authority in terms of its likely consequences for the current and future social, economic, environmental, or cultural wellbeing of the community.

Significant activity – An activity deemed to be significant according to Council's Significance and Engagement Policy.

Seaview Marina Limited (SML) – This is a Council-controlled organisation which is Wellington's newest and fastest developing marina, situated at the sheltered north-east end of Wellington Harbour.

Strategy – A policy is a predetermined course of action or set of guidelines established by the Council to guide decision-making, address specific issues, or achieve particular goals within the community.

Submission – Feedback or proposal from a citizen or group on an issue aimed to influence judgement at the Council level at times such as draft Annual Plan, Long Term Plan, or other new significant plans.

Targeted rate – Any rate levied other than the general rate, which is targeted at users of a service such as water supply, wastewater, refuse and recycling, and the Jackson Street Programme.

Te Āti Awa – An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt, and Te Upoko o Te Ika a Māui, the wider Wellington region. Te Āti Awa in this region share close kinship to Te Āti Awa in northern Taranaki, Kāpiti and the northern areas of the South Island.

Three waters/water services – A term for grouping the three water services provided by Councils together: water supply, wastewater, and stormwater.

Urban Plus Limited (UPL) & Urban Plus Limited Developments Limited (UPLD DL) – These are Council-controlled organisations and are multidisciplinary property companies. They provide high quality residential property development, rental housing portfolio management, and strategic property services.

User charges – Income to Council through fees and charges paid by those who use specific services Council provides.

Waste levy – The waste disposal levy raises revenue for initiatives to reduce waste and encourage resource recovery (e.g. composting and recycling).

Wellington Water Ltd – Wellington region's professional water services provider. They are 100% Council owned and funded, and their job is to provide safe and healthy drinking water, collect and treat wastewater, and ensure the stormwater network is well managed.

Works programme – The works programme sets out the plans to be carried out over the next 10 years, such as pipeline renewal upgrades, enhanced cycle tracks, or equipment replacements. The schedule includes the year the work will take place, the costs of the work, and the source of funding.

Āpitihanga 2: Tō koutou Koromatua me ngā Kaikaunihera

Appendix 2: Your Mayor and Councillors

Hutt City Council is made up of 12 Councillors and a Mayor. Along with all other local authorities in New Zealand, Council is elected every three years.

The Mayor and six Councillors are elected on a city-wide basis and six Councillors are elected to represent their respective wards, while working in the best interests of the city as a whole. There are six wards – Northern, Eastern, Central, Western, Harbour, and Wainuiomata – each with one Councillor.

Following elections in October 2022, a new Council was sworn in for the new triennium. You can find information about Hutt City Council's elected members below and on our website – hutt.city/councillors



Campbell Barry
Koromatua | Mayor



Simon Edwards
Kaikaunihera o Te Tāone
Whānui
City Wide Councillor



Tui Lewis
Koromatua Tuarua |
Deputy Mayor
Kaikaunihera ki te
Whanganui
Harbour Ward Councillor



Karen Morgan
Kaikaunihera o Te Tāone
Whānui
City Wide Councillor



Josh Briggs
Kaikaunihera o Te Tāone
Whānui
City Wide Councillor



Tony Stallinger
Kaikaunihera o Te Tāone
Whānui
City Wide Councillor



Brady Dyer
Kaikaunihera o Te Tāone
Whānui
City Wide Councillor



Gabriel Tupou
Kaikaunihera o Te Tāone
Whānui
City Wide Councillor

**Glenda Barratt**

Kaikaunihera ki Te Riu
Central Ward Councillor

**Naomi Shaw**

Kaikaunihera ki Te Raki
Northern Ward Councillor

**Keri Brown**

Kaikaunihera o Wainuiomata
Wainuiomata Ward Councillor

**Andy Mitchell**

Kaikaunihera ki Te Rāwhiti
Eastern Ward Councillor

**Chris Parkin**

Kaikaunihera ki Te Uru
Western Ward Councillor

Āpiti hanga 3: Whakapā mai

Appendix 3: Contact details

Hutt City Council

Address: Administration Building, 30 Laings Road, Lower Hutt

Postal Address: Private Bag 31 912, Lower Hutt 5010

Phone: 04 570 6666 | 0800 HUTT CITY

After hours emergencies:

04 570 6666 | 0800 HUTT CITY

Email: contact@huttcity.govt.nz

Website: huttcity.govt.nz

Facebook: facebook.com/huttcitycouncil

Twitter: twitter.com/huttcitycouncil

Chief Executive: Jo Miller

Email: jo.miller@huttcity.govt.nz

Neighbourhood Hubs

War Memorial Library

Address: 2 Queens Drive, Lower Hutt

Phone: 04 570 6633

Eastbourne Community Library

Address: 38 Rimu Street, Eastbourne

Phone: 04 562 8042

Maungaraki Community Library – Whare Pūrākau

Address: Maungaraki School,

137 Dowse Drive, Maungaraki

Phone: 028 2550 3219

Moerā Community Library

Address: 107 Randwick Road, Moerā

Phone: 04 568 4720

Naenae Community Library

Address: Hillary Court, Naenae

Phone: 04 567 2859

Petone Community Library

Address: 7 Britannia Street, Petone

Phone: 04 568 6253

Koraunui Stokes Valley Community Hub & Library

Address: 186 Stokes Valley Road, Stokes Valley

Phone: 04 562 9050

Walter Nash Centre & Library

Address: 22 Taine Street, Taitā

Phone: 04 560 1090

Wainuiomata Community Hub & Library

Address: 1a–1c Queen Street, Wainuiomata

Phone: 04 564 5822

Pools

Huia Pool and Fitness

Address: Huia Street, Lower Hutt

Pool phone: 04 570 6655

Fitness suite phone: 04 570 1053

Stokes Valley Pool and Fitness

Address: Bowers Street, Stokes Valley

Pool phone: 04 562 9030

Fitness suite phone: 04 562 9030

McKenzie Baths Summer Pool

Address: 79 Udy Street, Petone

Phone: 04 568 6563

Eastbourne Summer Pool

Address: Marine Parade, Eastbourne

Phone: 04 562 7582

Wainuiomata Summer Pool

Address: 2 Moohan Street, Wainuiomata

Phone: 04 564 8780

Arts and Culture

The Dowse Art Museum

Address: 45 Laings Road, Lower Hutt

Phone: 04 570 6500

Petone Settlers Museum

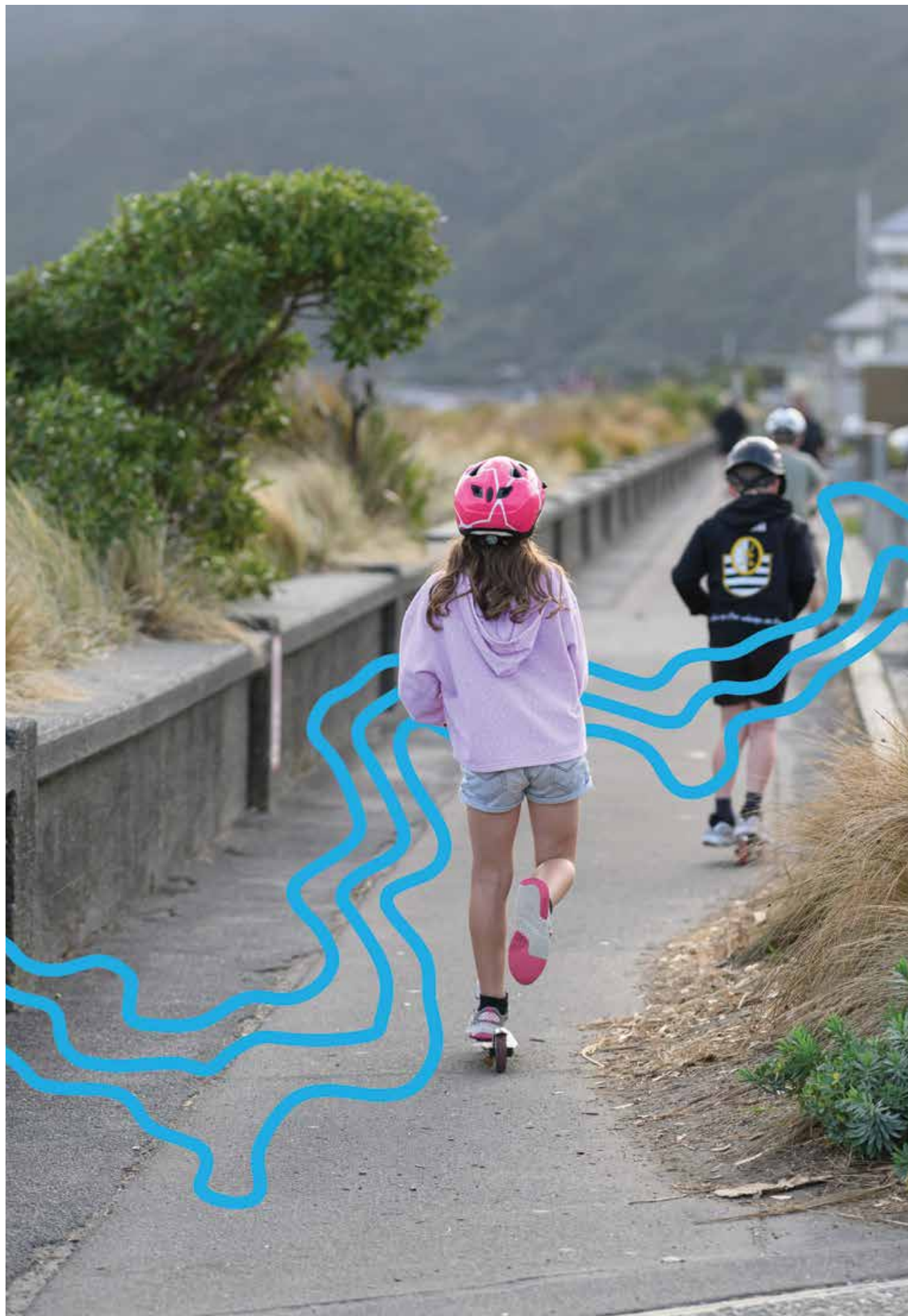
Address: 130 The Esplanade, Petone

Phone: 04 568 8373

Little Theatre

Address: 2 Queens Drive, Lower Hutt

Phone: 04 570 6500



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2023–24



Pūrongo ā-Tau Annual Report

[Summary](#)

He mihi

Ko Te Awa Kairangi he pou herenga iwi, he pou herenga waka.

Here mai ko te kei o tō waka ki te tumu herenga waka o ngā pae mouna kua whakatūtūria nei e te hikuroa o Ngake Mai i Tararua ki Remutaka ki Pūrehurehu, ki Pōkai Mangumangu, ki Pareraho, ki Tirohanga, ki Tukutuku, ki Puke Tirotiro, ki Pukeariki, e whakamarumarutia nei Te Tatau o Te Pō a Ngāti Te Whiti, a Ngāti Tāwhirikura, ki Pukeatua, te tuahu tapu o Te Kāhui Mouna i te wā i a Māui ki te whakapuare i te wahanui o Te Ika Whakarau a Kutikuti Pekapeka.

I ahu mai i Te Wai Mānga, i a Rua Tupua, i a Rua Tawhito, Ko Ngake, ko Whātaimai. Ka timu ngā tai o Te Wai Mānga, ka parzi mai ko Te Whanganui a Tara e pōkarekare mai ana.

Ka tū a Pukeatua ki runga i ngā wai e kato ana, i a Awamutu, i a Waiwhetū, kei reira a Arohanui ki te Tangata a Ngāti Puketapu, a Te Matehou, a Ngāti Hāmua e tū ana, tae noa atu rā ki ngā wai tuku kiri o te pūaha o te awa o Te Awa Kairangi.

Koia hoki te puna i heke mai ai he tangata. E kore e mimiti tēnei puna, ka koropupū, ka koropupū. Ko Te Awa Kairangi e rere iho mai ana i hōna pūtakenga i Pukemoumou i te paemounga o Tararua ki runga i hēnei whenua, ki runga i tēnei kāinga, hei āhuru mōwai ngā iwi.

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

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

It was here that the two ancient tūpuna, Ngake and Whātaimai, were summoned from the depths of the fresh water lake, tasked with prising open the mouth of the great fish.

It is Pukeatua that stands above the waters of Awamutu and Waiwhetū, the home of Arohanui ki te Tangata of Ngāti Puketapu, Te Matehou, and Ngāti Hāmua, flowing out to the life giving waters at the mouth of Te Awa Kairangi.

This is the spring that gives life to the people. This spring which will never be diminished, it will continue to flow, it will continue to flourish. Te Awa Kairangi that flows down from its source at Pukemoumou in the Tararua ranges and over these lands as a sheltering haven for the people.

Ngā hua o roto

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The lines woven throughout this document are inspired by the topographic lines of two significant areas around Te Awa Kairangi ki Tai Lower Hutt: Pukeatua, the high ridge between Waiwhetū and Wainuiomata and Pukeariki, the highest point in Wellington's Belmont Regional Park (Belmont Trig). The movement of the lines references the form of the land, the coastline's shape, the tides' movement, and the river's flow and symbolises the energy and diversity of the different cultures, communities and people living and working together in Te Awa Kairangi ki Tai Lower Hutt.

He karere nā te Koromatua / Tumu Whakarae

Message from the Mayor and Chief Executive



Kia ora,

Welcome to the 2023-24 Annual Report for Hutt City Council.

The past year has seen significant progress for Te Awa Kairangi ki Tai Lower Hutt, as we've seen the return of our community to our hubs, libraries and facilities, and a marked increase in investment in our city and services, despite the challenges we all face.

Rising inflation, escalating contract and construction costs, and the pressure of servicing debt has weighed heavily on households. In this tough environment we've remained steadfast in our commitment to invest in core services and addressing critical infrastructure.

Amidst financial and economic pressures and new government policy settings, we adapted quickly. We delivered key projects outlined in our Annual Plan and adopted a new 10 Year Plan (LTP) that sets our priorities for the next decade, with a strong focus on upgrading ageing infrastructure, especially our water assets.

Council delivered \$175M of its capital investment programme, \$19M more than the previous year. Key areas of spending included \$74M for water services, \$42M for transport, and \$22M for Te Ngaengae, our new Naenae pool and fitness centre.

In partnership with Wellington Water, we renewed 15.8 km of pipes – the highest renewal rate in the region. We've started improvement works at Seaview

Wastewater Treatment Plant, including replacing biofilters to improve odour management. We know more work is needed which is why we've planned further upgrades to the plant over the coming years. There's also more to do in restoring our streams and waterways, and we are proud to be leading this important mahi.

We reopened Eastern Hutt Road following the 2022 landslips, completing 65,000 hours of work that will make this transport route more resilient. We also made progress on repairs to other roads affected by landslips and we delivered 13 new or upgraded pedestrian crossings, with significant works underway on Boulcott and High Streets, and Akatea Road.

In November 2023, we opened the first section of Tupua Horo Nuku, a shared pathway that improves resilience for the Eastern Bays while providing safe walking and cycling along Marine Drive. This will also help protect the road from climate change impacts.

Construction on Te Ngaengae, our new aquatic and fitness facility, is almost complete, and opens in December 2024. Environmentally responsible design has been a priority, with 80% of surplus construction waste recycled. The opening will also mark the introduction of free swimming at our pools for under-10s when accompanied by an adult with a Community Services Card.

With strong financial oversight our year-end underlying net operating result was favourable to budget. Hutt City Council, like most councils, continued to experience cost escalations and rising debt. Affordability of rates, and limited funding solutions constrained our ability to increase revenue and offset these costs. This, along with uncertainty related to government policy settings especially in relation to water services, led to a Standard & Poor's Credit Rating Agency downgrade by one notch to a long-term credit rating from AA to AA- in August 2024.

Our community embraced environmental initiatives like Mouri Tupu – Planting for the Future which aligns with our Indigenous Biodiversity Strategy and fosters a deeper connection between residents and nature.

Despite financial challenges, we are proud of the progress we've made in creating a connected, resilient, and inclusive city. We look forward to building on these achievements in the coming year.

Campbell Barry
**Te Koromatua o Te Awa Kairangi
ki Tai**

Mayor of Lower Hutt

Jo Miller
Tumu Whakarae
Chief Executive Hutt City Council

Nga Kīwei o Te Kete

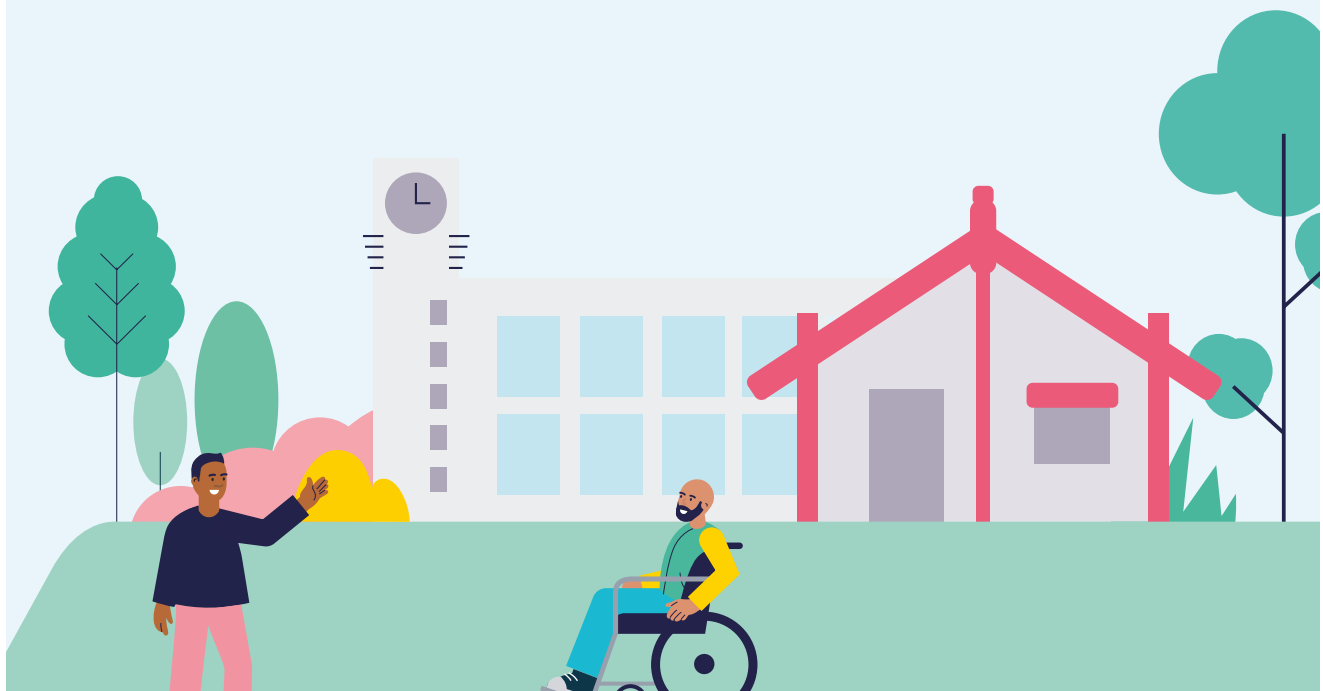
Partnership with Mana Whenua

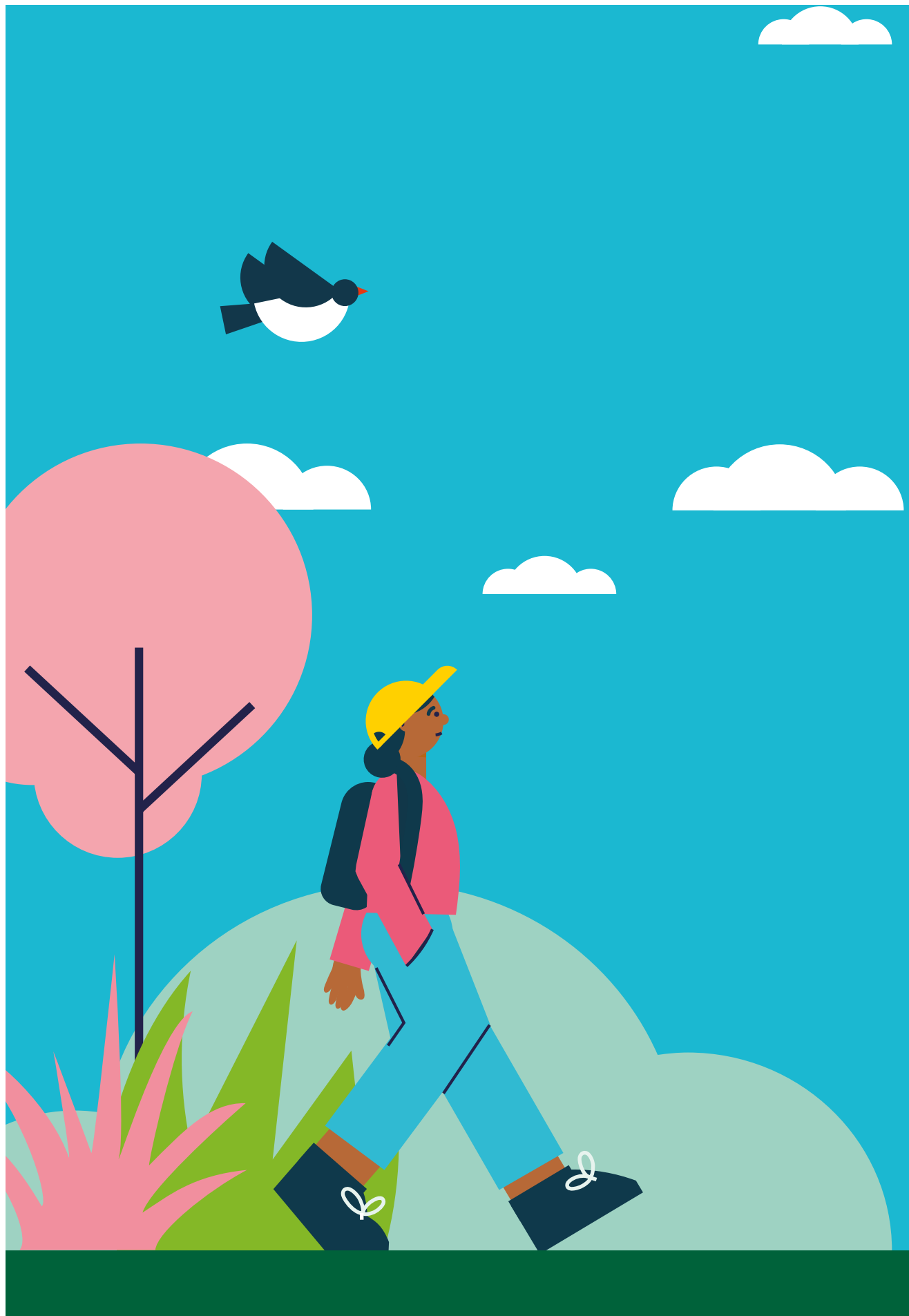
We have a key partnership with Mana Whenua founded on Te Tiriti o Waitangi.

Te Āti Awa Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira hold historic and territorial rights in Te Awa Kairangi ki Tai Lower Hutt. Mana Whenua interests are represented by two marae, Te Tatau o Te Pō and Waiwhetū Marae, as well as five Iwi organisations: Taranaki Whānui ki Te Upoko o Te Ika (Port Nicholson Block Settlement) Trust, Te Rūnanga o Toa Rangatira, Wellington Tenth's Trust, Palmerston North Māori Reserve Trust, and Te Rūnanganui o Te Āti Awa ki Te Upoko o Te Ika a Māui.

We have developed Tākai Here with the organisations representing Mana Whenua and Iwi Māori in our area. Tākai Here follow a covenant approach, reflect Iwi plans, and align with both Council and Iwi aspirations.

We work to include Te Ao Māori in our policies and practices, respond to Māori needs and aspirations, and meet our obligations under Te Tiriti o Waitangi. We understand that a strong partnership with Mana Whenua is crucial for a thriving city for our people.





Aratohu pānui pūrongo

How to read this report

The aim of this Annual Report is to assess how we did against the goals we set for the year.

Here's a quick summary of the Council's planning and reporting cycle:

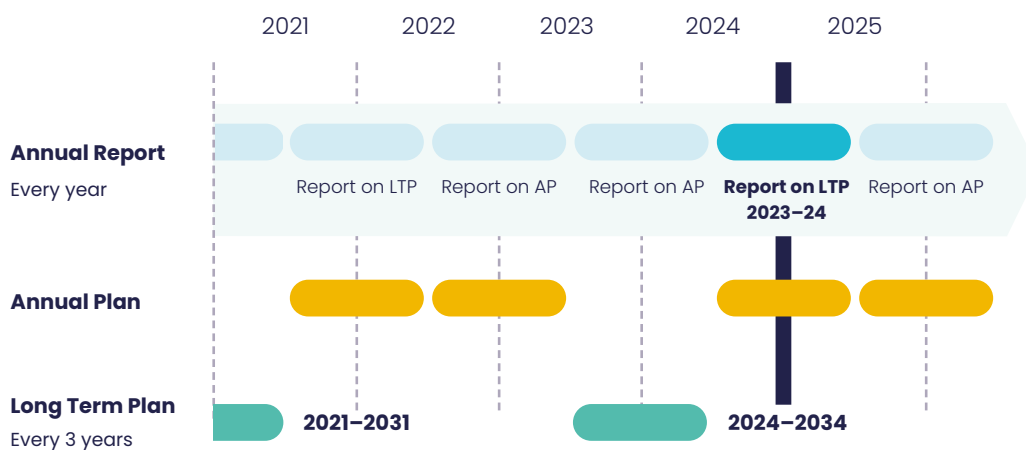
- 10 Year Plan (or Long Term Plan) and Annual Plan work together. The 10 Year Plan outlines our purpose for the city over the next decade and details key projects and budgets for that period. The first year of the 10 Year Plan also acts as the Annual Plan for that year.
- For the two years following a 10 Year Plan, we produce a new Annual Plan each year. Think of these as chapters two and three of the 10 Year Plan.
- In both our 10 Year Plan and Annual Plan, we set goals across different areas to ensure the Council is always improving and serving our community. In the Annual Report, we compare our set goals with what we actually achieved during the year. This report is then audited by the Office of the Auditor-General.

In 2021, we released our Long Term Plan for 2021–31, aiming to create a city where everyone can thrive. To achieve this, we identified six key priorities (see page 11 for more details).

- 1** The first section of this Annual Report provides an overview of our performance and key highlights from the year, organised by these six priorities so you can see what we're doing in each area to move towards our purpose.
- 2** The second section details our performance in each area of work and compares our actual spending with our budgets.
- 3** The final section offers detailed financial information for the year 2023–24.

Example of Council planning and performance monitoring cycle.

Council planning and performance monitoring cycle



Tō tātou tāone

Our city

Te Awa Kairangi ki Tai Lower Hutt is a growing city with dynamic and diverse communities.

From our rich cultural heritage and beautiful landscapes to impressive coastlines and vibrant economic sectors. Our city borders Porirua to the north, Upper Hutt to the north-east, South Wairarapa to the east and Wellington to the south-west and west. It is one of nine territorial authorities in the Wellington Region.

Explore Lower Hutt: A snapshot of our vibrant city



Population & housing

Population:
114,006
(Mar 2024) Source: Sense Partners

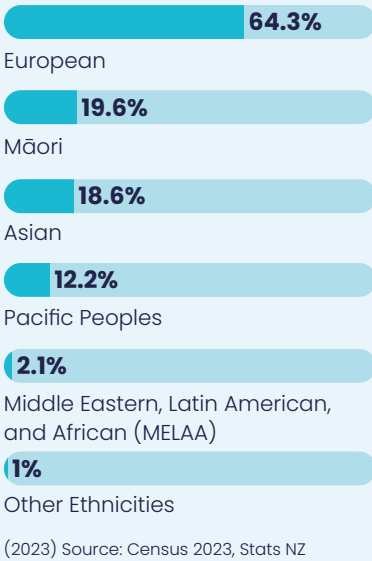
Census Usually Resident Population
(number of people):
107,562
(2023) Source: Census 2023, Stats NZ

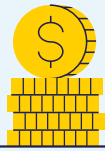
Dwellings:
42,504
(2023) Source: Census 2023, Stats NZ

Average House Value:
\$769,254
(Mar 2024) Source: Infometrics

Median Rent Price:
\$573
(Mar 2024) Source: Infometrics

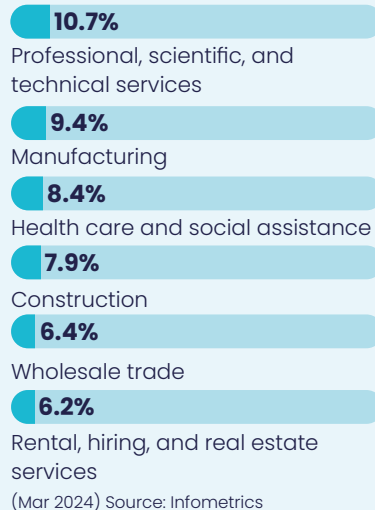
Cultural diversity





Economic landscape

Top Sectors:



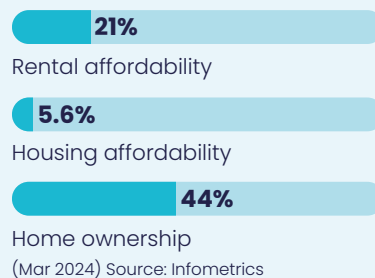
Median personal income for Lower Hutt:

\$47,800

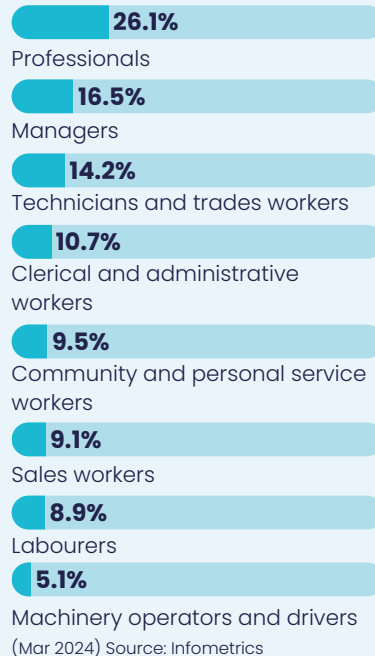
(2023) Source: Census 2023, Stats NZ



Housing affordability



Workforce



Health & wellbeing

Cancer mortality rate:
135 per 100,000

(Mar 2024) Source: Infometrics

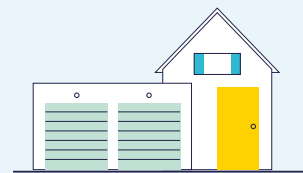
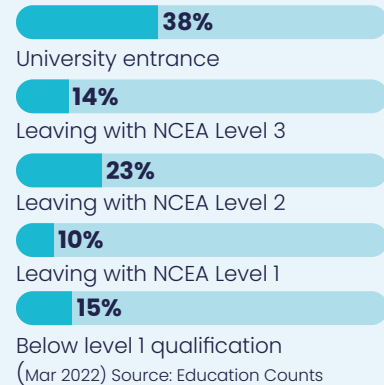
Child mortality rate:
226 per 100,000

(Ministry of Health 2018)

Gaming machine proceeds:
\$87.17 per person per quarter
is the average amount lost to gaming machines (pokies)
(Mar 2024) Source: Dot Loves Data



Education



Community services

Public housing stock:

3,593

(Dec 2024) Source: Infometrics

Households in emergency housing:

79

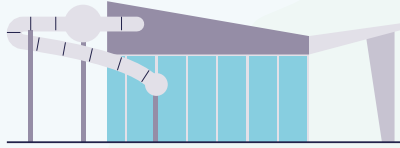
(Mar 2024) Source: Infometrics

Housing register applicants:

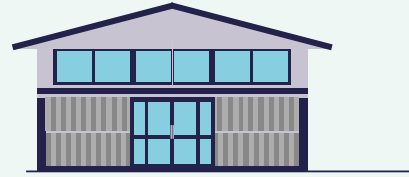
579

(Mar 2024) Source: Infometrics

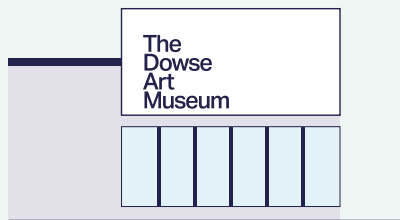
Council assets



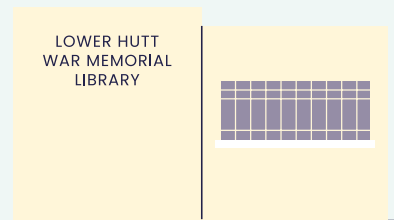
5
pools



8
community
halls



2
museums



9
neighbourhood
hubs and libraries



281
reserves



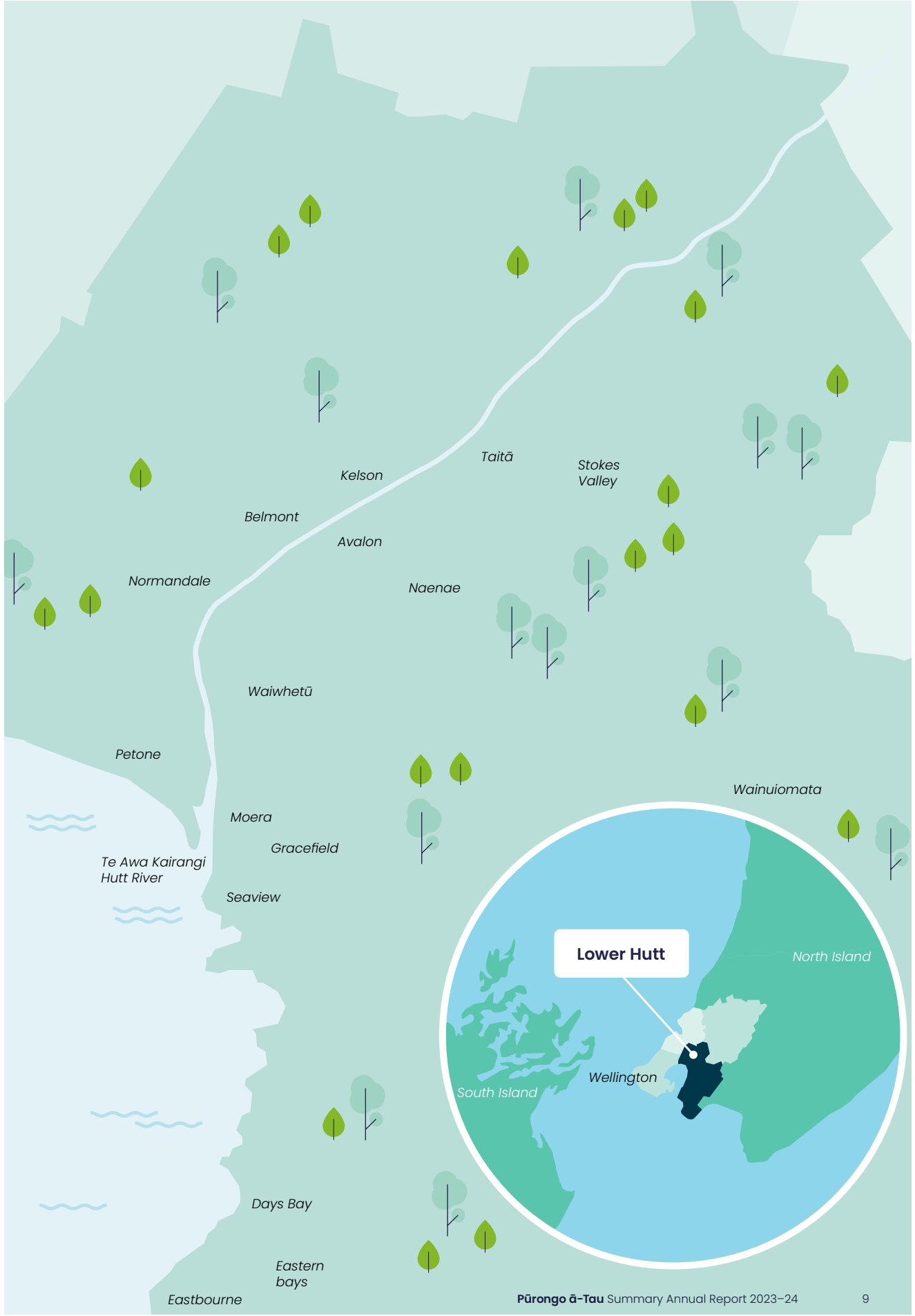
55
playgrounds



2,918 hectares
of public green space (these include
parks, reserves, sports grounds,
playgrounds, gardens, and cemeteries)



1,846km
of pipes (drinking, waste
and storm water)



Ko wai mātou? He aha hā mātou mahi?

Who we are and what we do

Hutt City Council is responsible for making democratic and effective decisions in Te Awa Kairangi ki Tai Lower Hutt.

Our duties are guided by the Local Government Act 2002, which requires us to promote the social, economic, environmental, and cultural wellbeing of both current and future communities. We achieve this through the services we provide and by working with our community to develop a strategic purpose.

We support our community in various ways. We manage community facilities and offer public services, such as libraries, neighbourhood hubs, parks, sports grounds, swimming pools, and other reserves. We also manage rubbish and recycling collection, wastewater treatment, emergency management, and street maintenance.

We are continuing the future-proofing of our city through transport and resilience projects, including Te Wai Takamori o Te Awa Kairangi (formerly RiverLink), Eastern Hutt Road, and Tupua Horo Nuku (Eastern Bays shared path).

Update on Local Water Done Well implementation and regional collaboration

In December 2023, the Government announced a new plan for managing water services – drinking water, wastewater, and stormwater – called Local Water Done Well.

The Government has passed new laws to establish the Local Water Done Well framework and begin the transition to a new water services system. This new approach aims to create sustainable and regulated water services.

Local Water Done Well is proposed to be rolled out in three stages, each with its own legislation. It is currently in the second stage, with the Local Government (Water Services Preliminary Arrangements) Bill having been introduced to Parliament on 30 May.

Regional response

One key requirement is for councils to develop plans for delivering water services. Along with other councils, we have signed a Memorandum of Understanding (MoU) to collaborate on a plan to meet the Government's Local Water Done Well policy. This MoU includes

the four Wellington metropolitan councils, Greater Wellington Regional Council, and the Kāpiti Coast, Horowhenua, Carterton, South Wairarapa, and Masterton District Councils.

An Advisory Oversight Group (AOG) has been formed to oversee this regional approach. Led by Dame Kerry Prendergast, the group includes elected members from the 10 councils in the Wellington region and Horowhenua district, along with Iwi representatives. Our council is represented on the AOG by Mayor Campbell Barry.

Various options are being explored, including continuing with the current service delivery or establishing a new water services organisation with other councils in the Wellington region.

Consultation is expected to take place in 2025 once more detailed options have been developed.

Hō mātou whakaarotau

Our priorities

We want Te Awa Kairangi ki Tai Lower Hutt to be a city where everyone thrives.

As a community, we're continuing to face significant challenges. In our 10 Year Plan 2021-31 we identified six key priorities alongside our community to help us tackle these challenges and achieve our purpose as a city where everyone thrives.



1 Whakangao i ngā poupu hapori

Investing in infrastructure

Investing in high-quality infrastructure that supports our people to move around, receive basic services (like water), and enjoy our community facilities.



2 Hei Āhuru Mōwai mō te Katoa

Increasing housing supply

Effectively planning for growth in our city, ensuring an increase in housing supply, and working with organisations to ensure our people have warm, safe, dry homes to live in.



3 Tiaki Taiao

Caring for and protecting our environment

Working with our communities to meet the challenges of climate change and our goal to become carbon zero by 2050.



4 Taunaki Ōhanga Auaha, Tāone Whakapoapoa

Supporting an innovative, agile economy and attractive city

Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi ki Tai ower Hutt to make our city an attractive place to work and invest.



5 Tūhono Hapori

Connecting communities

Investing to connect and empower neighbourhoods and communities so they can thrive and remain safe, connected, healthy, inclusive, and resilient.



6 Whakauka Ahumoni

Financial sustainability

Investing in a financially sustainable and prudent way that ensures we are carefully managing our finances to deliver on our community's expectations.

These have now been updated as part of our 10 Year Plan 2024-34.

Ngā mahi o te tau

Our year in review

An overview of our performance and key highlights from the year.



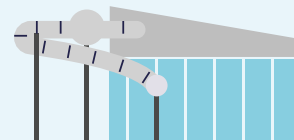
537

consents for new homes



69%

of the Council vehicle
fleet is electric



7.35% increase

694,128

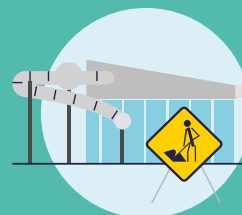
visits to pools



Key highlights



Completed phase one of Tupua Horo Nuku (Eastern Bays shared path) and received an extra \$15 million in government funding for the project



Main construction phase of new Te Ngaengae Pool and Fitness Centre was undertaken and the opening of Te Mako Naenae Community Centre



Launched the new Low Carbon Acceleration Fund that will result in a permanent step change in emissions reduction



Kicked off Mouri Tupu Planting for the Future, our campaign to plant 114,000 native trees and plants. We planted 33,112 plants during this financial year



18.13% increase

2,067,441

visits to neighbourhood
hubs and libraries



724,981

physical library loans



204,409

electronic library
loans



11.21% increase



159,412

visits to museums



Re-opened Eastern Hutt Road, completing the first phases of a \$27.5 million remediation project by March 2024, with continued efforts to enhance corridor resilience



Housing provider CCO Urban Plus Ltd (UPL) delivered five accessible houses and handed them over to their first Lower Hutt residents



Continued our significant investment in three waters infrastructure and invested in upgrade work at the Seaview wastewater treatment plant



Announced a new resilient and sustainable neighbourhood hub building for the Moera community



Four Council projects were listed as finalists for the Association of Local Government Information Management (ALGIM) Project of the Year 2023 award



Won local Government Website of the Year award for 2023

Whakangao i ngā poupou hāpori

Investing in infrastructure

We are making a significant investment in infrastructure to ensure our community can move freely, access essential services, and fully enjoy our facilities. This includes critical road and water projects designed to secure the long-term health and wellbeing of our city. These efforts are all about future-proofing our community and enhancing the quality of life for everyone.



We continued with construction of Tupua Horo Nuku in the Eastern Bays

In November 2023 we opened the first completed section of Tupua Horo Nuku at Ma-koromiko between Oruamotoro (Days Bay) and Eastbourne.

In the same month we were pleased to receive confirmation of additional government funding of \$15 million for the new seawall and shared pathway project, which stretches 4.4km along Marine Drive between Ngau Matau (Point Howard) and Eastbourne.

When fully completed, Tupua Horo Nuku is set to provide a safe walking and cycling connection along Marine Drive from Eastbourne to Ngau Matau (Point Howard) and provide greater protection for the road which has already been undermined in some sections by the ocean and extreme weather.

As well as providing this key transport route for our communities in the Eastern Bays, it will help safeguard important infrastructure under the road.

In May design plans for Whiorau (Lowry) Bay were also certified and in June 2024 construction began in Whiorau (Lowry) Bay and the Whiorau Bird Protection Area.



We played host to the regional construction and infrastructure workforce collaboration workshop

In October 2023 we hosted a workforce workshop with over 60 construction and infrastructure employers, educators, and regional colleagues.

This was an opportunity to bring together and create closer collaboration between major contractors and infrastructure partners. Important discussions were held around collective milestones and creating leadership together in programming, and clustering work across our cities, agencies, and employers.



We started work on safety improvements on Akatea Road in Korokoro

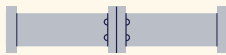
The work will improve the sections of the road with narrow bends and poor or non-existent footpaths, kerbing, and drainage channels, making it safer for all road users and pedestrians.



Other highlights:

- We agreed to continue to upgrade our city's infrastructure. This will remain a key focus, in particular for water services and transport.
- We replaced the Biofilters at the Seaview wastewater treatment plant, the first step to improve odour management. More work in this area will be done following planned upgrades and improvements, due to take place in 2025.
- We started work to upgrade the intersection of Boulcott Street and High Street. The improvements will improve traffic flow and safety for all road users in the area.
- We rolled out 13 new or improved pedestrian crossings across the city. This will enhance the overall safety and convenience for all users to encourage walking, cycling, and scootering.
- We worked with the community to improve safety and accessibility in Wainuiomata, using funding from Waka Kotahi New Zealand Transport Agency Streets for People fund. The improvements make it feel safer, more inviting, and accessible for residents to walk, skate, scooter, or bike through the area and to spend time in public spaces.

Dashboard



1,845km pipes



15.8km pipes renewed



1,158m of road replaced

(approx. 7,314m²)
2023-24 season



1,834m of road resurfaced

(approx. 25,793m²)
2023-24 season

Q Case study



Te Wai Takamori o Te Awa Kairangi (formerly RiverLink)

Te Wai Takamori o Te Awa Kairangi (formerly RiverLink) is a transformational programme for Te Awa Kairangi ki Tai Lower Hutt. It includes crucial flood protection work, the Melling transport improvements, the new Melling City Link Bridge, and Lower Hutt city centre urban revitalisation.

During the 2023-24 financial year, we worked on this programme with our partners, Waka Kotahi New Zealand Transport Agency, Greater Wellington Regional Council, the delivery alliance, and local Mana Whenua, Taranaki Whānui ki Te Upoko o Te Ika and Ngāti Toa Rangatira. We also set up a new in-house delivery unit (City Delivery Unit) to lead the delivery of Te Wai Takamori o Te Awa Kairangi programme.

The scope of works undertaken in 2023-24 included:

- Upgrade works to the Mills Street stopbank between Melling city link bridge and north of Mills Street.
- Detailed design and appointment of contractor for the new Avalon Skatepark.
- Announcing the revised design for the new Melling interchange.

- Gravel extraction from Te Awa Kairangi Hutt River, as planned management of the riverbed.
- Removal and demolition of key sites on Daly, Pharazyn, Marsden, and Mills Streets.
- Utility and pavement investigations, including CCTV investigations into water assets.
- Geotechnical investigations across the Te Wai Takamori o Te Awa Kairangi site.

We are working to deliver local road and intersection improvements and streetscaping itself, as well as the riverbank car park and park aspects of the programme, which will assist in revitalising the area, turning the city to face the river, and help promote the river as a key asset to deliver our purpose for the city. We'll also work with Te Awa Kairangi alliance to deliver the Melling city link bridge linking the city and the relocated Melling train station.



Q Case study

Eastern Hutt Road stabilisation project

The Eastern Hutt Road stabilisation project followed several landslides on the hillside above Eastern Hutt Road in July 2022. The slips resulted in the partial closure of this major road, and significant disruption was experienced by residents, businesses, and others in the area. This project became one of our biggest infrastructure projects during 2023 and into 2024 providing extra resilience to this area.

Immediately after the slips, temporary measures were put in place to protect the road from further slips. The comprehensive remediation works that followed included fixing three major slip sites above the road and future-proofing them against any future slips.

Physical work on the project to improve the resilience of the Eastern Hutt Road corridor began in July 2023. The programme of work across three sites included the installation of catching fencing and anchors, as well as laying erosion control matting and applying anchored shotcrete to reinforce the slope.

All parties worked during an intensive period of work to complete the project on time – 65,000 hours of work was recorded during the main programme. The bulk of the work took place between March and May 2024. Many teams were

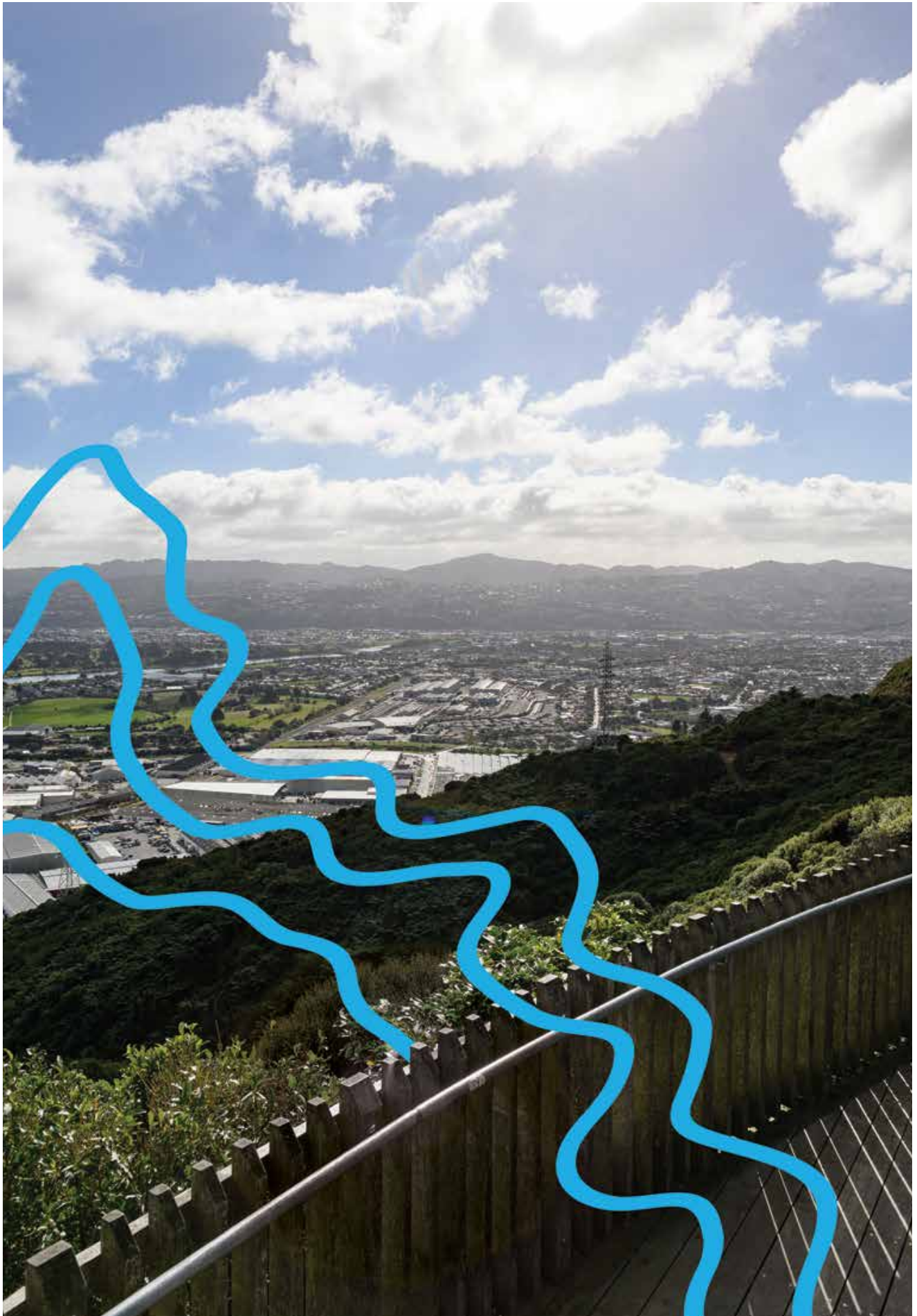
involved in this huge project which included engineers, geotech specialists, abseiling specialists, crane operators, traffic management, and many more.

The Eastern Hutt Road was fully reopened in March 2024, marking the completion of this part of the stabilisation project. The work carried out so far provides ongoing resilience to the area and future-proofing against future slips. This crucial transport corridor is more resilient as a result of this project.

By numbers:

- More than 1,500 metres were drilled into the slip face, allowing for the installation of 532 anchors in total to stabilise the area.
- 26 truckloads of shotcrete were installed over an area of 260m³
- 1,950m³ of erosion control matting were installed
- 68.5m of 3m-high catch fence were installed beside the road

Weather-related challenges are not going away and we are dedicated to providing a more resilient city. Investing and enhancing our infrastructure resilience is a core priority.



Hei āhuru mōwai mō te katoa

Increasing our housing supply

The Council is committed to proactively planning for the city's growth, increasing the housing supply, and working with organisations to ensure every resident has a warm, safe, and dry home. We also work closely with UPL to expand housing options on offer to our residents.



We were able to move forward with housing intensification

In August 2023 Hutt City Council voted unanimously for government-mandated changes to allow higher and denser housing, particularly around transport hubs.

Following a public hearing earlier in 2023, an independent panel delivered recommended decisions to Hutt City Council for Plan Change 56, enabling intensification in residential and commercial areas.

The changes mean that as a city we can adapt to a growing population and develop and build good-quality housing that we need for our communities.



We released a draft of our District Plan in late 2023

The District Plan is our rulebook for land use and development across the city, and this is the first top-to-bottom review since 2004. Public feedback on the draft is being incorporated into a proposed plan for a future consultation.



We were part of the new Hutt Central Regeneration City Steering Group

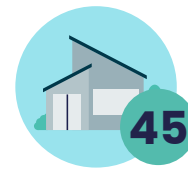
A new steering group was established, with the aim of facilitating favourable housing outcomes within Lower Hutt. Its purpose was to provide a unified approach among central and local government bodies, as well as key partners. Representatives on the steering group include those from Te Tūāpapa Kura Kāinga – Ministry of Housing and Urban Development (HUD), Kāinga Ora – Homes and Communities, Mana Whenua, Waka Kotahi New Zealand Transport Agency, Wellington Water, Health New Zealand Te Whatu Ora, Ministry of Education Te Tāhuhu o te Mātauranga, Greater Wellington Regional Council (GWRC), Wellington Regional Leadership Committee (WRLC), and Hutt Valley Chamber of Commerce (HVCC).

Our progress on housing delivery in the Infrastructure Acceleration Fund (IAF) area, central city, and valley floor has been noted at the steering group's discussions. Through our IAF housing outcomes agreement with the Crown, Council must facilitate the delivery of 3,520 additional dwellings in the valley floor by the end of 2035. Our progress of 654 dwellings in less than two years means that we are already nearly 20% towards the target.



We issued building consents for 537 new homes over the past year

Our city continues to change, with higher-density housing and more complex multi-unit developments being built. This will produce more housing and increased options for our residents, which is positive for the community. Higher-density consent applications are complicated and require more time, input, and expertise which has made for a busy year for the consenting team.



We noted 45 apprentices worked on Urban Plus housing projects

Our housing CCO Urban Plus Limited (UPL), the social housing development arm of Hutt City Council, has overseen the completion of housing projects across the city. This boosts the city's housing stock and apprenticeship opportunities are also created. In May 2024 it was announced that 45 apprentices were working on UPL projects whom are undertaking apprenticeships in a range of occupations including electricians, plumbers, builders, painters, and plasterers. Apprentices are sourced to work on projects through a variety of ways including an established relationship with Petone-based tertiary institution WelTec.

Dashboard



**537 new homes
issued with a
building consent**



**45 apprentices
worked on UPL
housing projects**



**5 new accessible
units were added
to the UPL portfolio**

Q Case study



Urban Plus Ltd (UPL) adds five accessible units to its portfolio

At Hutt City Council we aim to deliver good-quality housing through UPL.

Through UPL more inclusive options are delivered for our community. We were pleased to have five accessible design units in Petone completed on time and under budget in June 2024.

The high-quality units at 17 Britannia Street are all part of a carefully considered infill project that is situated at the rear of an existing apartment block. UPL has built these units to NZGBC Homestar 6 Design & Built accreditation standards as well as 5-Star Lifemark Standards. The Homestar rating ensures a healthier, warmer, drier, and more comfortable home that uses less power and water than a similar home built to the minimum standard of the New Zealand Building Code.

All units were tenanted on completion and are all specifically designed to meet the requirements of wheelchair users. Each unit has level entry doorways, wheelchair access under the kitchen benches and bathrooms, which also have fold-down shower seats and grab rails.

This development is a good start in terms of adding new accessibility options for our community. UPL aims to continue its growth as well as provide and deliver these housing options to other like-minded organisations such as community housing providers.

Tiaki taiao

Caring for and protecting our environment

Working with our communities to meet the challenges of a changing climate and our goal to become carbon zero by 2050.



We kicked off Mouri Tupu: Planting for the Future

Mouri Tupu is a community campaign to plant 114,000 native trees and plants across Lower Hutt and inspire citizens to pick up a spade and join in with the initiative.

The Mayor has set a goal to plant one native tree or plant for every citizen of Te Awa Kairangi ki Tai Lower Hutt.

Council, along with community organisations, have planted 33,112 plants at the end of this financial year.

The campaign was launched with a planting event at East Harbour Kindergarten in April. We formed a partnership with Mitre 10 Wellington who supplied gardening gloves, trowels, gift cards, and BBQ supplies for our planting events and giveaways.

During the planting season in July, we gave 10,000 plants to community organisations to plant in places like Waiwhetū Stream and Petone Beach. We also planted another 10,000 in reserves and sports grounds in Moera, Kōraunui/Stokes Valley, and Wainuiomata, and were joined by Arakura Primary School students at Arakura Park.

Mouri Tupu is one way we are delivering on our Indigenous Biodiversity Strategy, in particular the goals of protecting and restoring indigenous species and their habitats and connecting our community with nature.



We invited the community to nominate significant trees deserving protection

As part of the District Plan review, we asked residents to identify special trees in their neighbourhood to be assessed for protection with the landowner's agreement. An arborist is assessing trees to add to the 140 significant trees already on record that make a distinctive contribution to a community's identity or history.



We diverted waste from city events as part of our waste minimisation programme

From July 2023 to June 2024, out of 10,605kg of waste generated from five events across our city, 8,586.80kg was successfully diverted through composting or recycling. This was achieved with the assistance of external waste management providers, including Nonstop Solutions and Closed Loop.



We introduced a new voucher for the Silverstream landfill transfer station

We encouraged people visiting the landfill transfer station to separate their load out and receive a discount on recyclable or reusable items weighing over 20kg. In June 2024, the first month of use, 450 people took up the offer and diverted 27 tonnes from going to landfill.



Other highlights

- We refreshed the Too Good to Waste website by adding more recycling tips and tricks, collection calendars, free resources, and activities just for tamariki.
- We continued our education campaign on kerbside recycling contamination.
- We increased the emergency stored water capacity in the city to 130,600L through the sale of 200L water tanks at our neighbourhood hubs.
- We designed a Waste Minimisation Plan to help identify likely waste and how it can be reduced, with the goal of less waste going to landfill.

Dashboard



69 electric vehicle charging points across the city



5,134 tonnes of recycling collected



22,543 tonnes of kerbside waste collected and taken to landfill



5 organisations supported through the Low Carbon Acceleration Fund

Case study



We green-lit the new Low Carbon Acceleration Fund

The Low Carbon Acceleration Fund offers up to 50% co-funding for eligible projects that will reduce carbon emissions in Te Awa Kairangi ki Tai Lower Hutt, as we progress towards a 50% emissions reduction by 2030, and the city becoming net zero by 2050.

In May 2024 five organisations with a keen eye for reducing their emissions were given the green light on their reduction initiatives. The Low Carbon Acceleration Fund was available to any eligible legal entity such as a business, charity, incorporated society, or trust, provided that the project is being implemented in Te Awa Kairangi ki Tai Lower Hutt.

In the first round, \$160,000 was available, with a maximum of \$40,000 for each applicant. This is the first round of a new fund established by Council to help deliver on its climate change commitments and support our city to decarbonise. This round was open between 15 February and 14 March 2024.

The five successful applicants were Y Central, Wesley Rātā Village Naenae, He Puāwai Trust, Rudolf Steiner School Trust and Youth Inspire.

At Council we are proud to support organisations like these who are clearly aware of their carbon footprint and want to really engage with emissions reduction in a meaningful way.

Funding organisations in such a way enables positive change for both the climate and the community.

The fund is set to run every year and the community is encouraged to look out for future rounds in 2025 and beyond.

Hutt City Council earns carbon credits under the Emissions Trading Scheme for forests in some of its reserves. The units can be sold, and the revenue can be used to invest in carbon reduction opportunities. To ensure that the Low Carbon Acceleration Fund is cost neutral to Council, the financial envelope of the Low Carbon Acceleration Fund for each round is based on the number of credits earned in the previous year.

Taunaki ōhanga auaha, tāone whakapoapoa

Supporting an innovative, agile economy and attractive city

Investing to drive economic growth, and harnessing the talents of business, education, research, and science communities in Te Awa Kairangi ki Tai Lower Hutt to make our city an attractive place to work and invest.



We supported local businesses to connect, collaborate, and innovate

During the year we supported several events that champion local industry and business opportunities, including ones run by Love Wainuiomata and Hutt Valley Chamber of Commerce.

We also co-funded a Future of Hutt Valley Business project. The project looked at a 10-year business vision for the Hutt Valley and actions that Council, the business community, and agencies can take together to achieve it. Council also supported the creation of 10 vibrant community events, each celebrating the spirit of Matariki Puanga.



We had 5.3 million unique users see our digital tourism promotions

We grew our audience by 40%, reaching a combined 5.3 million unique users through the promotion of local businesses and experiences on our HuttValleyNZ social media channels and digital advertising, helping to showcase local businesses and their products and services.



We won the 2023 Local Government Website of the Year award

We came out on top following an annual audit by the Association of Local Government Information Management (ALGIM) of websites from 78 councils (11 regional councils and 67 territorial authorities) across the country and two council-controlled organisations.

Websites are assessed and rated based on accessibility, content quality assurance, searchability, performance, response time, and availability.

Dashboard



**5.3 million unique users –
digital tourism promotion**



**10 community events through
the Matariki Event Fund**



We appointed an independent panel to assist with our representation review

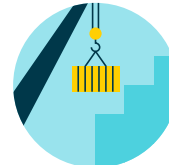
We've been reviewing how our communities are represented locally. This is called a representation review, and under the law we're required to do this at least once every six years.

In July 2023 we appointed an independent panel to engage with communities of interest in the city to review representation arrangements to ensure that communities are fairly and effectively represented by Council. The independent panel undertook a broad engagement and, using this, made recommendations to Council about how our community could be best represented by Council.



We decided to establish a Māori ward

On 21 November 2023, Council resolved, in accordance with the Local Electoral Act 2001, that at least one Māori ward is to be established for the 2025 elections. This decision is not appealable to the Local Government Commission. This meant that the representation review needs to determine how many Māori wards there will be, the number of members for these wards, the ward boundaries, and the ward names.



We worked with Wellington Water to reinstall the region's biggest sculpture

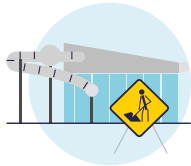
After a temporary absence of about 16 months, the iconic Lightwing sculpture by Andrew Thomas was reinstalled at the Seaview roundabout in September 2023 by Wellington Water on behalf of Hutt City Council.

The sculpture was part of the main wastewater pipe replacement for Barber Grove to Seaview. It was dismantled and moved to enable the duplication of a new wastewater pipeline. The region's biggest sculpture is a graceful steel artwork originally built and installed by local firms in 2018.

Tūhono hāpori

Connecting communities

We're investing to connect neighbourhoods and communities so they can thrive and remain safe, connected, healthy, inclusive, and resilient. Here are some of our key community achievements over the past year.



We celebrated the progress of Te Ngaengae Pool + Fitness construction

Over the course of the year, we completed the structural frame and roof, enclosed the frame with wall panels and blockwork, and installed mechanical and electrical equipment. Additionally, the main pool tanks have been installed and lined. A moveable pool floor will enable us to operate one end of variable depths, and our two bulkheads can create different zones for multiple activities. We've also installed two zoom tubes with an access tower.

The project is on schedule to open later in 2024, on budget, and with a target of five Green Star rating. 80% of surplus construction waste that would normally go to fill has been recycled.

Making swimming facilities more accessible has been a priority. When Te Ngaengae Pool opens in the next financial year it will also mark the start of free pool entry for under 10s when accompanied by an adult with a Community Services Card.

New designs for the Walter Mildenhall Park were also released, designed in collaboration with the Whakatapu Ngaengae Community Advisory Group and wider community. The park is situated by the new pool and is an important part of the wider project enhancing the surrounding urban environment. There was support for activities such as play spaces, BBQ areas, picnic spots, wheeled activities, gardens, and artistic displays.



We finalised Te Herenga Kairangi, our Māori strategy

Following consultation with Mana Whenua and Hāpori Māori (Māori communities), we approved Te Herenga Kairangi. This strategy aspires to bring together all our work that has both direct or broader outcomes for Māori. Te Herenga Kairangi – meaning “interwoven ambition to thrive” – expands on our commitment to partnership under Te Tiriti o Waitangi.

Te Herenga Kairangi brings together principles, outcomes, and actions to focus on. We are committed to working together on shared goals to improve the wellbeing of Whānau, anchored in connection between people, place, and environment.

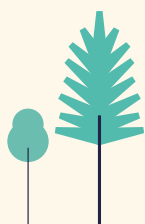


We confirmed plans for the new Moerā Neighbourhood Hub

In May 2024 we were pleased to announce that locally owned and operated Niche Modular Construction Ltd had been awarded the contract to build the new Moerā Neighbourhood Hub.

Located on the existing Moerā Library site, the hub will provide a vibrant community space for our community to connect, learn, and play. The facility is set to be a sustainable, relocatable, purpose-built community building, featuring an open plan space with access to vital library services.

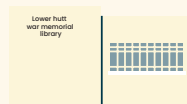
Dashboard



**281 reserves
totalling 2,918ha**



**694,128 visits
to pools**



**2,081,503 visits to
neighbourhood hubs
and libraries**



**159,412 visits
to museums**



**204,409 digital
library loans**



**724,981 physical
library loans**



**55 playgrounds
(5 had safety
upgrades)**



We approved a Rangatahi Action Plan

Rangatahi / young people have a big role to play in making our city better. We are committed to engaging rangatahi in Council matters, to make sure that their voice informs decision-making. In particular, our focus is on the period between childhood and adult age 12-24 years old.

Signed off in April 2024, the new Rangatahi Action Plan shows our commitment to educating and engaging with young people, setting clear goals and actions. The actions will enable rangatahi to share their ideas and opinions more easily, so they can better influence what happens in Te Awa Kairangi ki Tai Lower Hutt.



We ran our annual resident satisfaction Survey 2023-24

The resident satisfaction survey is an annual survey undertaken by our research and evaluation team. The survey asks a sample of Lower Hutt residents about their engagement and satisfaction with the Council's provision and delivery of services and Council-maintained facilities and spaces. It is a snapshot of residents' perceptions at one point in time. The survey was conducted from 12 February to 15 March 2024, with 1,912 valid responses received. The information is useful in Council's future planning and priority setting.



We managed the long- standing summer reading challenge

Alongside Upper Hutt City Council, we ran our long-standing summer reading challenge designed to support young readers. The programme encourages literacy and a love of reading among our community.

Across all age groups covering The Little Read, The Big Read, and The Even Bigger Read, 1,092 entries were submitted, with 3,759 books read and 4,873 activities completed, across our Hutt City libraries.

The challenge has been running in Lower Hutt for over 10 years and has been popular for families to engage with during the summer break. In addition, more than 104 tamariki took part in a special lego launch event at the start of the initiative – The Big Build – at seven of our Hutt City neighbourhood hubs.

Connecting communities continued

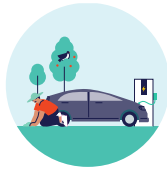


We worked on our 10 Year Plan 2024-2034 – Taking the next steps

The 10 Year Plan, also known as the Long Term Plan, is council's key strategic document. It sets out our priorities for the next 10 years, including what we will do, how much it will cost, and how we will fund it. It's reviewed every three years to make sure it is still relevant and accurate.

The last year saw us work on preparing all the information and documentation for our 10 Year Plan.

This project had one of our most successful community engagements of this type to date, with more than 1,700 people taking the time to provide a submission. We had more than 100 people speak in our Council Chambers for the hearings. The final 10 Year Plan was signed off in June 2024.



We ran many road safety initiatives across our city

We ran two Road Code courses for people whose first language is not English. Reaching 31 people who were supported to get a driver's license and enhancing their confidence in driving our local roads. We supported Free Ride with 227 bike fix-ups. Creating better access and awareness of cycling.

We also ran bike fix-ups with 11 other schools across our community, enabling 368 kids to have safe bikes and scooters. In addition, we continued to run Road Patrol training with schools. This year we reached 44 schools and 905 tamariki. Improving road safety confidence and leadership and encouraging our kids to share the road safety message with the whānau and community.

12 driver licensing courses were also held for rangatahi with Youth Inspire. 179 people earned their learner's licenses, and several also passed their restricted licenses through Youth Inspire, enhancing their independence and confidence, through road safety and responsible driving education.



Other highlights

- We celebrated the 50th anniversary of Eastbourne Library at Eastbourne Neighbourhood Hub on 20 March 2024, with staff and the community present.
- We created a one-stop digital shop where people can find out about events and programmes happening across Council spaces.
- We made postal services available from the Petone Neighbourhood Hub, filling a gap for a much-needed community service.
- We ran 12 car seat clinics from our neighbourhood hubs, ensuring more than 100 people have correctly fitted seats for their tamariki by reducing installation errors and creating long-term safety benefits through education.



Q Case study

Te Mako Naenae Community Centre opens

We celebrated the opening of Te Mako, the new Naenae Community Centre, on 29 June 2024. This marked a key milestone in the Whakatapu Ngaengae project to reinvigorate the town centre.

Te Mako will become a key place for the community to work, play, learn, and belong. It's the first of three major projects being developed to revitalise Naenae.

The construction of Te Ngaengae Pool + Fitness Centre is progressing smoothly and is set to open later in 2024. Once completed, attention will shift to remodelling Walter Mildenhall Park. These projects represent a transformation for Naenae, promising to rejuvenate the area and enhance its recreational and community facilities.

Council has partnered with TEAM Naenae Trust who will run the facility for the community.

The building, with its distinctive clock tower, opened in 1959 and has been earthquake strengthened and remodelled for its new use as a community centre.

It features the recreation of a mural designed by artist Guy Ngan for the original Hillary Court Post Office, as well as carved timber pieces of local artist Tiaki Dahm (Te Āti Awa) and tukutuku inspired metal panels by Kereama Taepa (Te Āti Awa and Te Arawa).

The community has already started to embrace this new facility which includes a community kitchen, flexible open-plan spaces, and shared office-style meeting rooms.

Te Mako was designed in consultation with community and will be a place where people can gather, connect, access services, and take part in programmes and events.

Whakauka ahumoni

Financial sustainability

We're investing in a financially sustainable and prudent way that ensures we are carefully managing our finances to deliver on our community's expectations.

Being accountable to residents and ratepayers for the management of our finances, both in the short term and the long term, is a key responsibility of Council. This section aims to provide a brief overview to help you understand our finances. In particular, it shows where we have spent the money that we have received and how we have invested for the future of our city.

Our Financial Strategy

Council's Financial Strategy is based on important principles that provide the foundation for prudent sustainable financial management. These principles can be summarised as:

- Affordability of rates
- Maintaining prudent borrowing levels
- Achieving a balanced operating budget and ensuring that everyday costs are paid for from everyday income
- Delivering services effectively and efficiently
- Strengthening council's financial position in the long term.

The Financial Strategy focuses on strong fiscal management while addressing growing demands for increased capital investment in core infrastructure assets. The Financial Strategy can be read in full in the Long Term Plan 2024–34, available on our website. It sets limits on the amount of debt we can take on compared to revenue (the net debt to revenue ratio). It also forecasts net debt (the money we owe lenders, less cash), and when we will balance the budget. The council budgets are balanced when everyday revenue pays for everyday expenses.

Investment in infrastructure

Te Awa Kairangi ki Tai Lower Hutt is projected to continue growing, demanding robust infrastructure to support this expansion. Our transport and water services network, libraries, and playgrounds are all crucial to this development. Additionally, many of our three waters network assets are ageing and require replacement. By striking the right balance in our investments, we aim to ensure sustainable growth and enhance the quality of life for our residents.

This year, we have made progress in improving the transport network, expanding and future-proofing our water services system, and protecting and

restoring parks and reserves. We also made progress in renewing Council facilities for residents to enjoy. In 2023–24, Council's total capital investment was \$175 million, compared to a budget of \$226 million in the Annual Plan. Including investments by UPL, the total capital investment was \$177 million, an increase from \$157 million in 2022–23. This \$20 million increase reflects a continued ramp-up in our capital investment program to meet the objectives of the 10 Year Plan (see Graph 1).

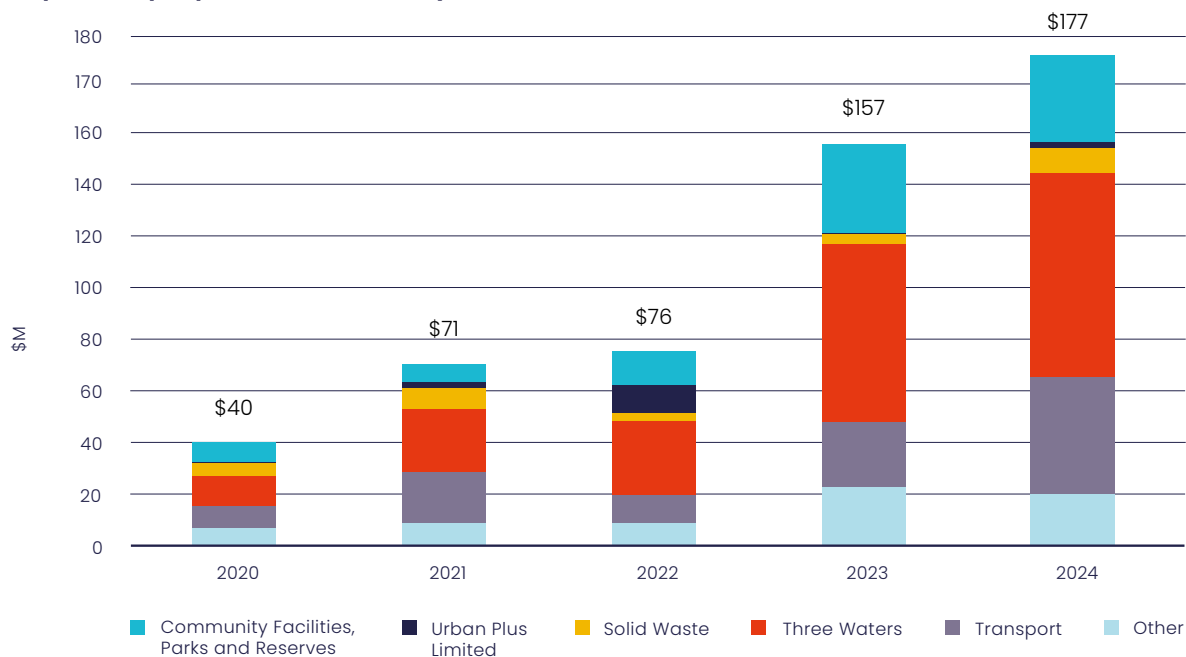
Some of our key highlights and spend for the year were:

- \$74 million on three waters infrastructure against a budget of \$77 million. This includes \$61 million for a range of renewal projects.
- \$22 million on the new Naenae Pool and Fitness Centre which is a continuation of work on a significant community facility.
- \$42 million on transport projects includes \$9 million for transport renewals and \$33 million for capital improvement and growth projects. These will enhance connectivity and promote sustainable transport options, with projects such as the Tupua Horo Nuku (Eastern Bays shared path), Eastern Hutt Road resilience, and the Micromobility programme.
- \$12 million on RiverLink which is progressing with our partners.
- \$9 million for design and construction of the next phase of the Silverstream landfill.
- \$6 million on parks and reserves projects includes the new cemetery development in Akatarawa Road, reserve development projects, playgrounds, and various park building renewals.
- \$3.8 million on Naenae town centre improvements which is an investment in the development of an important community hub.

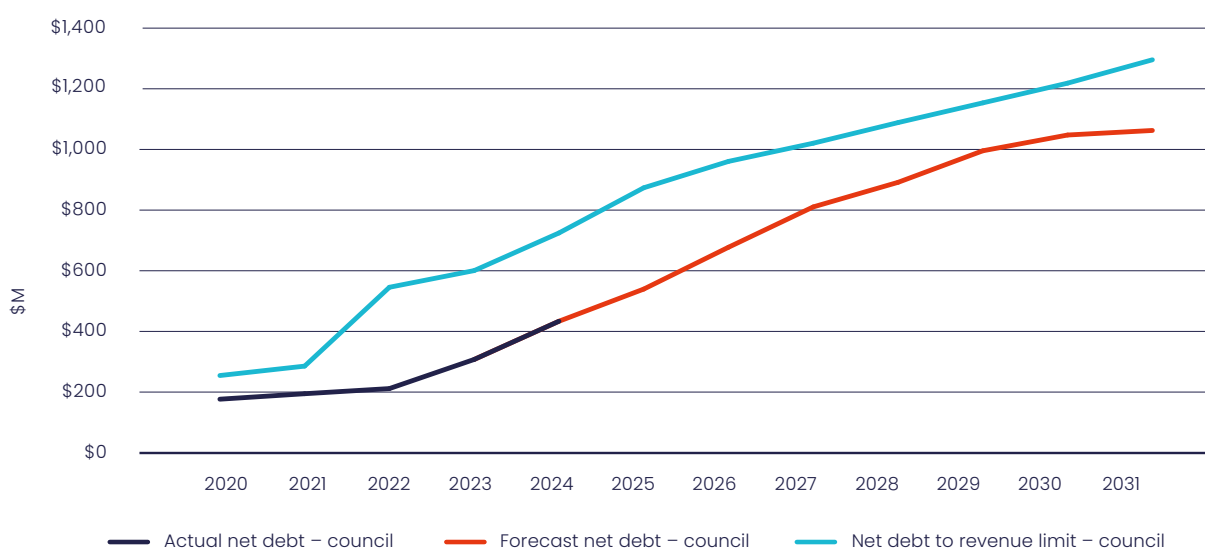
* Refer to the activity statements under Section 2 of this report for detailed spend and budgets for these projects.

Our investment plans have faced challenges due to the timing of decisions around the changing government priorities. Key areas of underspend in 2023–24* mainly relate to the slow-down of a range of transport projects. We are also progressing decisions around Te Wai Takamori o Te Awa Kairangi (RiverLink) with our Alliance partners.

Graph 1: Group capital investment five-year trend



Graph 2: Council net debt



Prudent debt management

We strategically use debt to finance long-term capital investments, spreading the cost across the generations that will benefit from these assets. Our borrowing is guided by a strict limit, maintaining a net debt to revenue ratio of 250%. This ensures that our debt remains manageable and affordable.

In 2023-24, Council's net debt increased by \$126 million, reaching \$433 million (refer to Graph 2), which is 152% of our revenue. This increase is higher than our planned net debt of \$391 million in the Annual Plan, mainly due to capital delivery being higher than the assumed 75% level, together with timing and cashflow differences across a range of areas such as subsidies and grants not received in line with the plan. Over the next five years, we anticipate our net debt to revenue ratio will rise to a peak of approximately 216% as we significantly invest in essential infrastructure, including water services.

Credit rating

In August 2024, Standard and Poor's Credit Rating Agency (S&P) lowered Hutt City Council's long term credit rating one notch from AA to AA-, with the rating outlook maintained at a 'negative' outlook. This follows similar credit rating downgrades for other councils across New Zealand. The S&P report outlined challenges faced by councils, which included limited revenue streams, high infrastructure responsibilities, and increasing debt levels. The downgrade in our credit rating will increase our cost of borrowings going forward.

Revenue

We fund our services and operations through a mix of rates and non-rates revenue. Like all councils, we rely heavily on rates as a primary income stream (see Graph 3). For the 2023-24 fiscal year, total group revenue was \$292 million (excluding revenue from the revaluation of financial instruments) and is trending upwards (see Graph 4). Rates revenue, amounting to \$156 million, represents just over half of our total revenue at the group level. This reflects a \$16.2 million increase from the previous year, following the rates revenue increase approved by Council to fund our services.

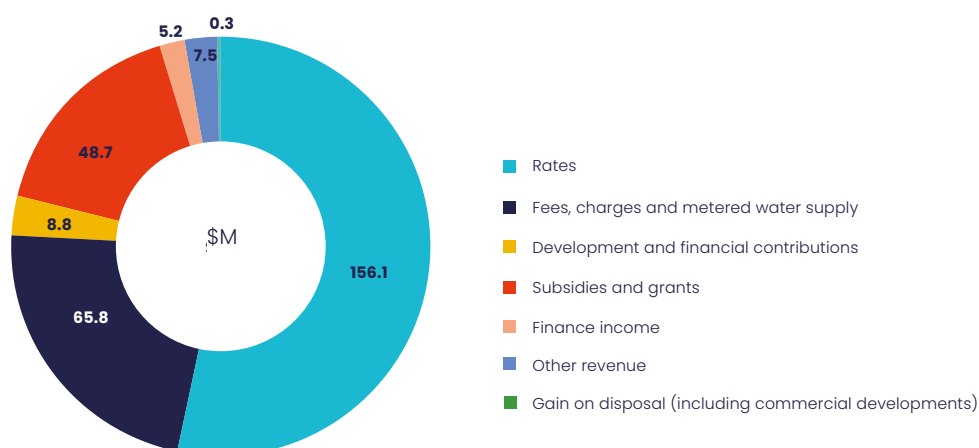
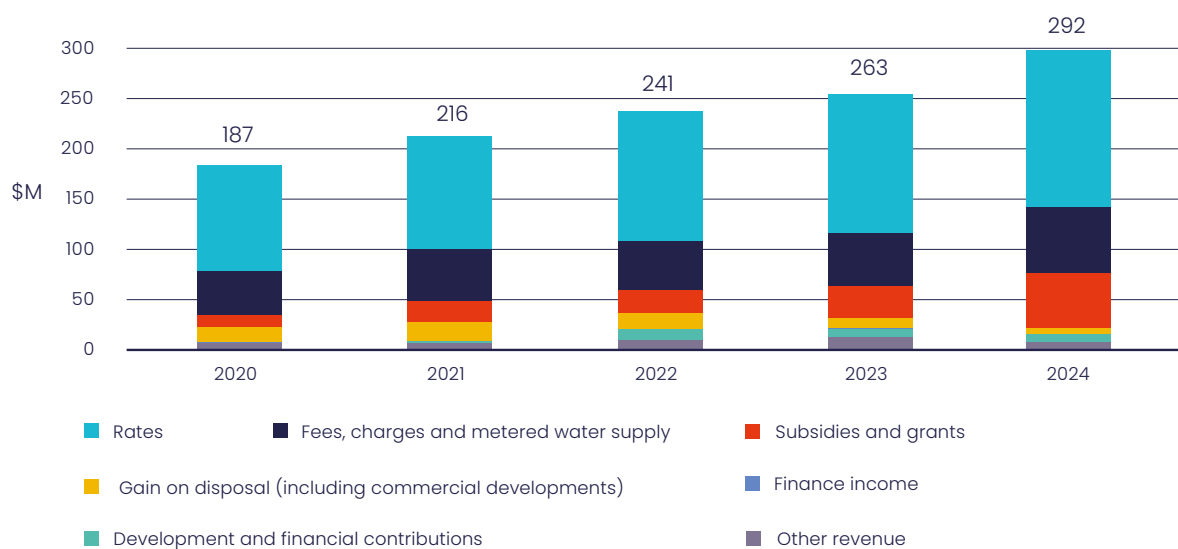
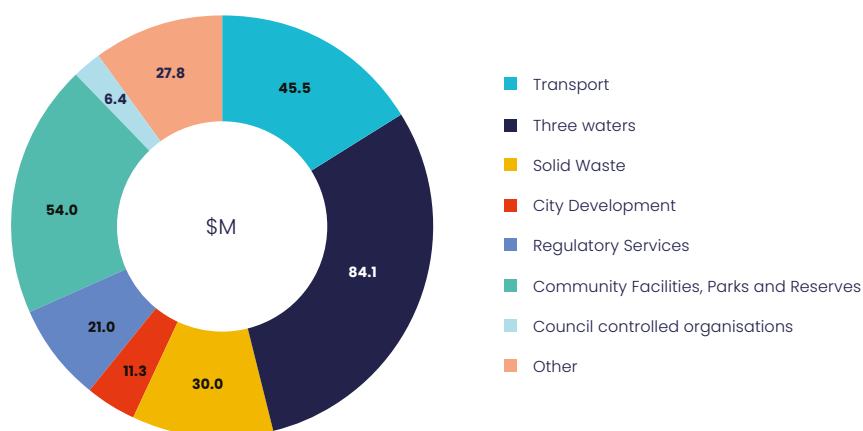
Subsidy and grant revenue was \$25.1 million lower than budgeted. This shortfall is primarily due to timing differences in the achievement of the Council's capital programme, resulting in decreased subsidy and grant revenue. Fees and charges recovery was higher than budget by \$1.7 million due to fee changes implemented through the Annual Plan 2023-24 across a range of activity areas with activity volumes being higher than anticipated.

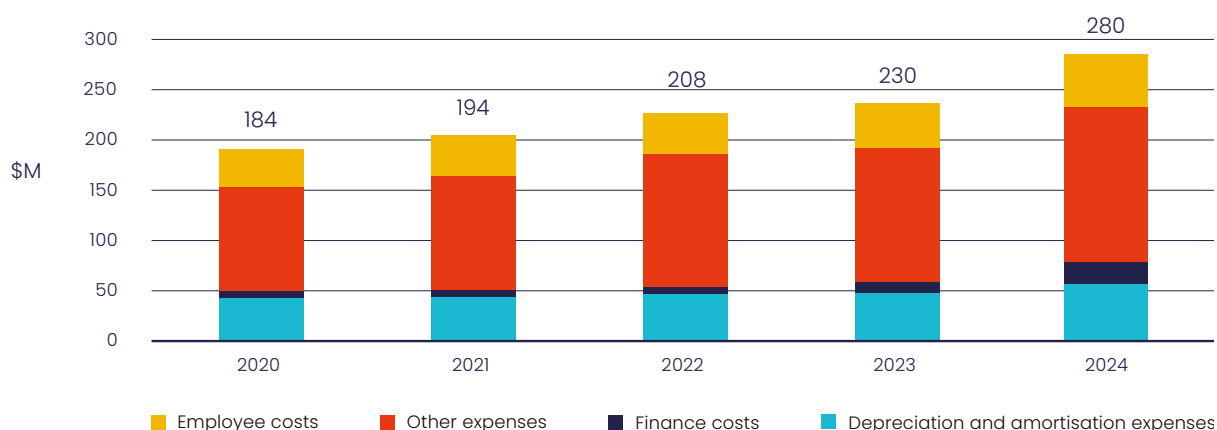
Expenditure

Our operating expenditure covers the costs of delivering our day-to-day services, including paying our staff, maintaining our assets, and providing a wide range of community services and support. For 2023-24, total group costs were \$280 million (excluding losses on revaluation of financial instruments). Graphs 5 and 6 illustrate how spending is distributed across different services and the spending trend over the past five years.

Council's operating costs exceeded the budget by \$5.8 million. This overspend is primarily due to:

- Higher resourcing and compliance costs to process consent applications and maintain our International Accreditation New Zealand accreditation.
- Roading repairs and maintenance costs were higher due to contract renewals with a number of contracts being re-tendered.
- Higher cost of interest which is partially offset by interest income.

Graph 3: Group revenue by source in 2023–24**Graph 4: Group five-year revenue trend (excluding gains on the revaluation of financial instruments)****Graph 5: Group expenditure by activity in 2023–24**

Graph 6: Group five-year expenditure trend (excluding losses on revaluation of financial instruments)

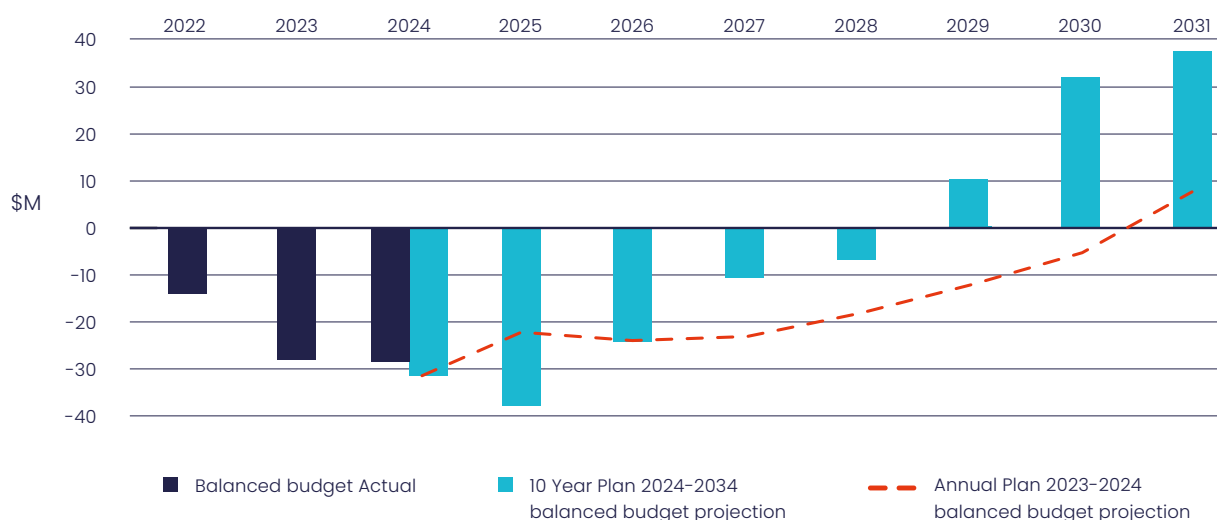
Balanced operating budget

An important part of our Financial Strategy is maintaining a balanced operating budget. This means that our everyday costs are covered by our everyday income, ensuring that operating expenses are paid for by operating revenue. We want to avoid taking on debt to cover everyday expenses, and reserve borrowings for infrastructure investments instead.

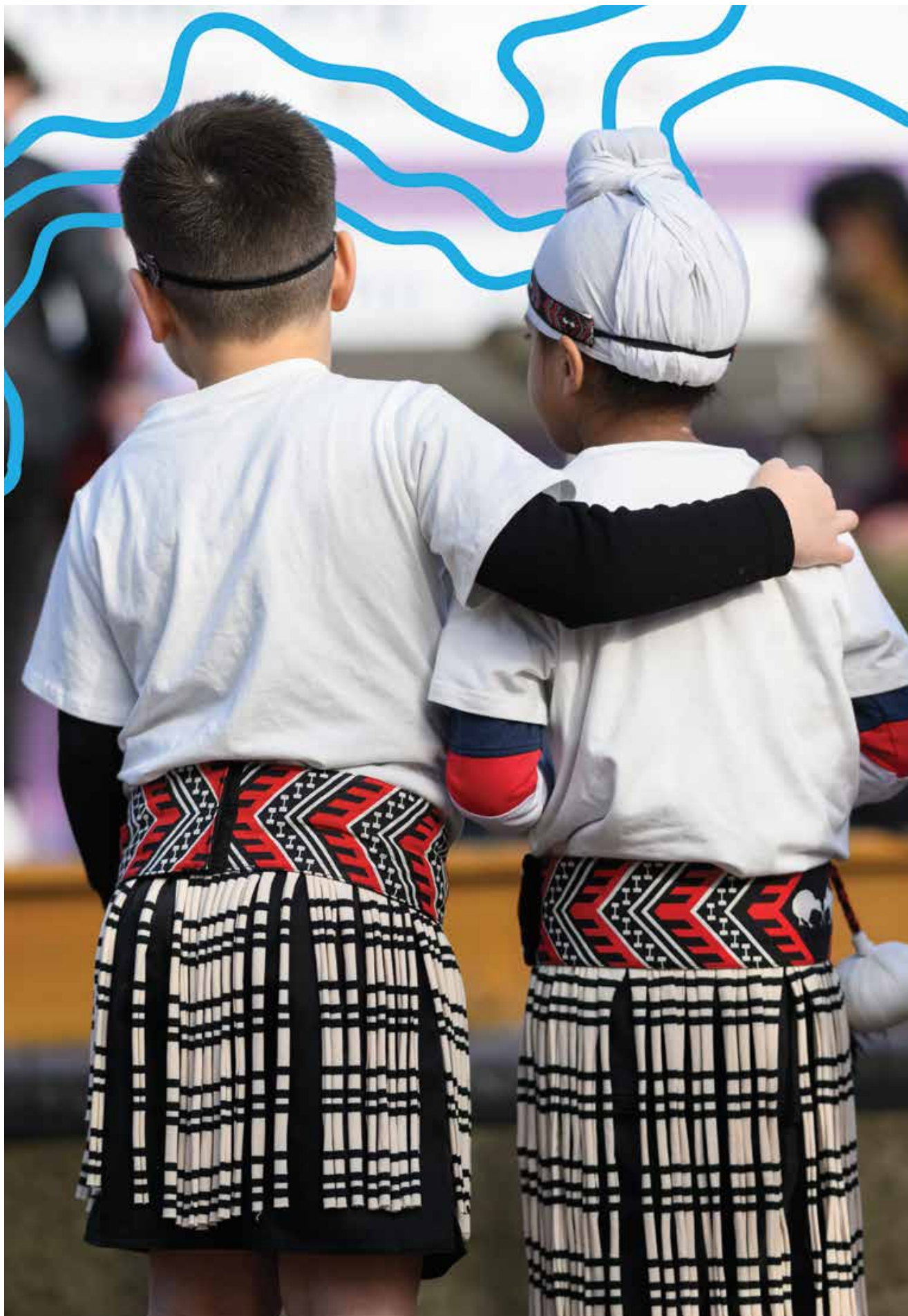
Our 10 Year Plan outlines our method for assessing whether we achieve a balanced operating budget, which has been reviewed and updated through the Long Term Plan 2024-34. Achieving a balanced operating budget is essential for the long-term

sustainability of Council services, but it must be balanced against the significant capital investment requirements. To ensure affordability for ratepayers, Council has agreed to gradually move towards a balanced operating budget over several years. According to the latest Long Term Plan 2024-34, we are forecasting to achieve a balanced operating budget by 2028-29.

In the 2023-24 fiscal year, our balanced operating budget result (or net underlying operating result) was a deficit of \$28.6 million, which was \$3 million better than the budgeted deficit of \$31.6 million. Graph 7 illustrates the actual trend to date and the future forecast.

Graph 7: Council actual and projected balanced budget outlook

*Council meets the legislative balanced budget requirement as defined in s100 of the Local Government Act 2002. The legislative calculation includes capital grants and subsidies which can only be applied to capital projects and cannot be used to fund everyday operational costs over the period. As Council receives significant capital grants and subsidies, the legislative calculation makes it appear that there is more income available to meet everyday operational costs than there actually is. Therefore, we have excluded capital improvement subsidies and capital grants from the graph to only show the projected operating balanced budget for everyday operational income and costs.



Ki hea tohaina ai hāku rēti?

Where will my rates be spent?

Two factors are central to our planning:

- 1** Ensuring our long-term financial sustainability, and
- 2** Carefully considering rates charges that are as affordable as possible for our community.

Here is where your rates will be spent over the next 10 years:

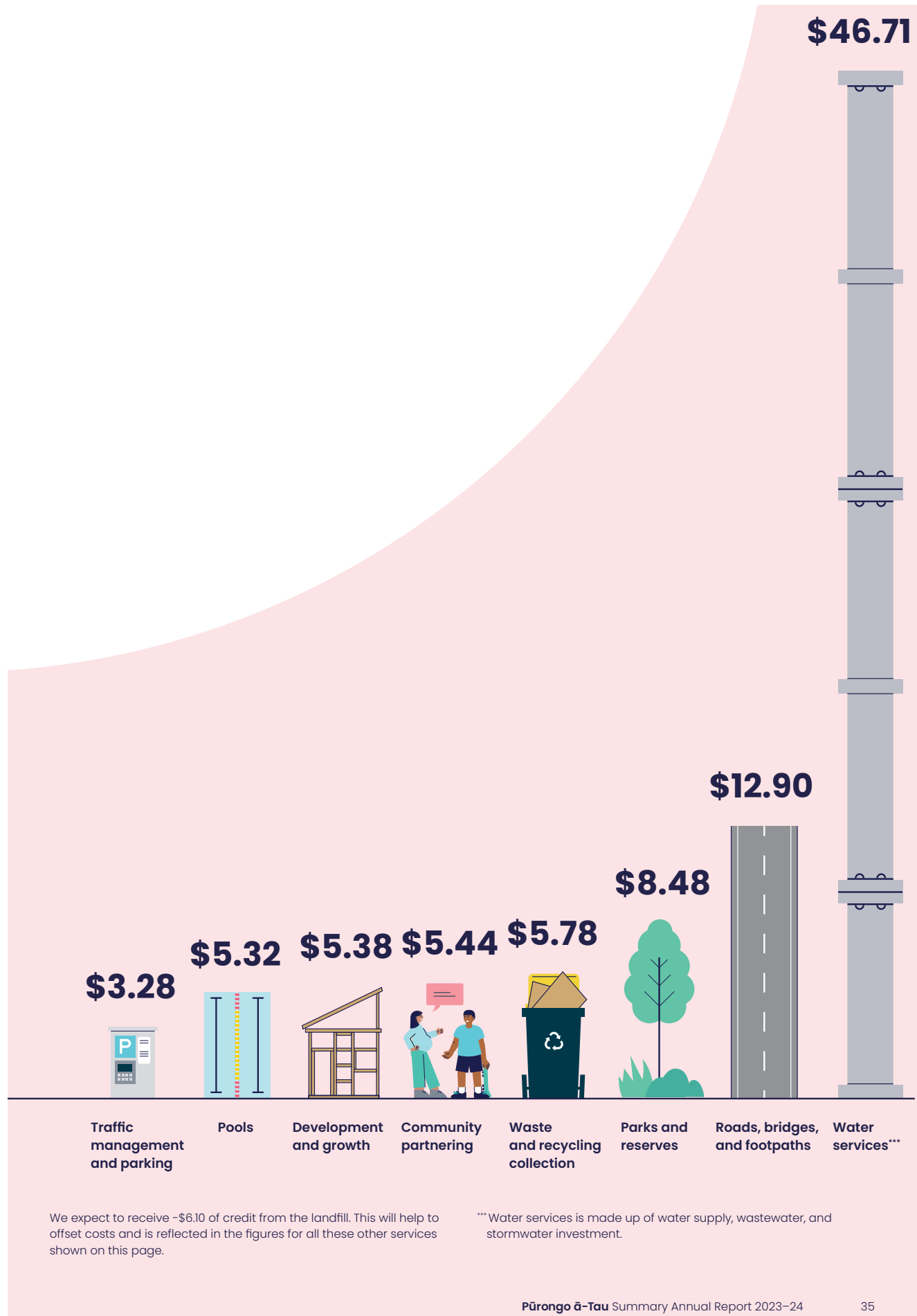
For every \$100 you spend in rates, we plan to spend*



* The average costs over the ten-year period of the Long term Plan 2024-2034 is presented here.

** Sustainability engagement represents spending on community activities, along with facilitation of projects across council activities, including investment in:

- decarbonisation of council facilities
- cycleways
- RiverLink
- healthy urban waterways.



Pūrongo pūtea

Summary financial statements

Summary statement of comprehensive revenue and expenses

For the year ended 30 June 2024	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Total revenue	288,566	303,443	252,500	292,433	266,592
Finance costs	(21,663)	(17,069)	(11,197)	(21,666)	(11,197)
Loss on revaluation of financial instruments	(1,586)	-	-	(1,586)	-
Other operating expenditures	(252,074)	(250,873)	(229,444)	(258,423)	(242,749)
Share of associate's surplus / (deficit)	-	-	-	807	(300)
Surplus / (deficit) before tax	13,243	35,501	11,859	11,565	12,346
Income Tax expense	97	-	68	548	348
Surplus / (deficit) after tax	13,146	35,501	11,791	11,017	11,998
Gain/(losses) on property revaluations	1,421,624	-	-	1,423,554	(3,729)
Deferred tax on revaluation	-	-	-	(1,753)	844
Total other comprehensive revenue and expenses	1,421,624	-	-	1,421,801	(2,885)
Total comprehensive revenue and expenses attributable to Hutt City Council	1,434,770	35,501	11,791	1,432,818	9,113

Summary statement of changes in equity

For the year ended 30 June 2024	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Equity at the beginning of the year	1,604,757	1,592,828	1,592,966	1,664,318	1,655,205
Total comprehensive income	1,434,770	35,501	11,791	1,432,818	9,113
Equity at the end of the year	3,039,527	1,628,329	1,604,757	3,097,136	1,664,318

Summary statement of financial position

As at 30 June 2023	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2024 \$000	2024 \$000	2023 \$000	2024 \$000	2023 \$000
Current assets	88,067	55,506	61,710	123,555	100,859
Non-current assets	3,523,750	2,107,218	1,979,898	3,550,522	2,002,827
Total Assets	3,611,817	2,162,724	2,041,608	3,674,077	2,103,686
Current liabilities	90,675	89,805	125,236	91,612	126,245
Non-current liabilities	481,616	444,590	311,615	485,329	313,122
Total liabilities	572,291	534,395	436,851	576,942	439,367
Net assets	3,039,527	1,628,329	1,604,757	3,097,136	1,664,319
Total equity	3,039,527	1,628,329	1,604,757	3,097,136	1,664,318

Summary statement of cash flows

For the year ended 30 June 2024	Council			Group	
	Actual	Budget	Actual	Actual	Actual
	2023 \$000	2023 \$000	2022 \$000	2023 \$000	2022 \$000
Net cash flow from operating activities	47,951	89,867	39,907	34,277	45,736
Net cash flow from investing activities	(167,740)	(208,360)	(168,494)	(170,561)	(149,874)
Net cash flow from financing activities	140,000	118,493	115,000	140,000	115,000
Net cash flow for the year	20,211	-	(13,587)	3,716	10,862

Group results at a glance

For the year ended 30 June 2024	Actual	Actual	Actual	Actual	Actual
	2024 \$M	2023 \$M	2022 \$M	2021 \$M	2020 \$M
Net Surplus / (Deficit)	11.0	12.0	30.9	19.8	(18.2)
Total assets	3,674.1	2,103.7	1,966.2	1,717.1	1,718.2
Total liabilities	576.9	439.4	311.0	290.9	313.6
Total equity	3,097.1	1,664.3	1,655.2	1,426.2	1,404.6

Notes:

1. This Summary Annual Report has been extracted from the full Annual Report and is designed to give an overview for the year to 30 June 2024 of the Council's operations as a legal entity and also those for its "group", including its subsidiary and Council controlled organisations. The Annual Report contains detailed information about our finances and service performance and was adopted by Council and approved for issue on 29 October 2024.
2. This summary report has been prepared in accordance with PBE FRS 43: Summary Financial Statements. It cannot be expected to provide as complete understanding as provided by the full financial report of the financial and service performance, financial position and cash flow of the Council.
3. The full financial statements for the year ended 30 June 2024 have been prepared in accordance with NZ GAAP. They comply with NZ PBE IPSAS Tier 1, and other applicable Financial Reporting Standards, as appropriate for public benefit entities. The functional and presentation currency of Hutt City Council is New Zealand dollars with all values rounded to the nearest thousand dollars. The Council of Hutt City confirms that all other statutory requirements relating to the Annual Report have been complied with.
4. Audit New Zealand has audited the full financial statements and issued an unmodified on the audited information, excluding the statement of service provision. A qualified opinion was issued relating to the statement of service provision with respect verifying the number of complaints relating to the wastewater system, drinking water supply, and performance of the stormwater system. This Summary has been examined by Audit New Zealand for consistency with the full Annual Report.
5. The full Annual Report can be obtained from our website hutt.city

Whakarāpopoto tātaritanga

Our performance at a glance

47 were achieved

36 did not achieve the targets set

3 measures were not reported, and the baseline year is to be determined

Water Management

The Council aimed for 100% compliance with bacteria standards but fell short due to new regulations affecting the Waterloo Treatment Plant. Protozoal compliance, however, was fully achieved. Complaints about the water supply rose to 31.7 per 1,000 connections, surpassing the target of 20. Resident satisfaction dropped to 57% due to poor communication during water outages. Urgent callout attendance averaged 101 minutes, exceeding the 90-minute target due to aging infrastructure, though urgent issues were resolved within 4.6 hours. Non-urgent callout times were 191 hours, meeting the target by resolving within 16 working days. Data on water consumption and loss is still pending.

In wastewater management, the Council maintained a low rate of dry weather overflows at 1.7 per 1,000 connections, well below the target of 20. Complaints were also low at 24.1 per 1,000 connections. Despite this, resident satisfaction fell to 61% due to odour issues at the Seaview treatment plant. Sewerage overflow response times averaged 159 minutes, and resolution times were 12.4 hours, both exceeding targets due to infrastructure challenges. The Council faced 13 enforcement actions for wastewater consents, exceeding the target of zero.

For stormwater, the Council achieved 100% water quality at recreational beaches and had no flooding events affecting habitable floors. Complaints about stormwater were low at 8.5 per 1,000 connections, but satisfaction remained at 51% due to ongoing concerns about flooding and blocked drains. Flooding events were responded to promptly, with a median response time of zero minutes, and full compliance with stormwater consents was maintained.

Waste Management

The Council maintained full compliance with resource consent regulations and reduced litter complaints to 239. Satisfaction with refuse collection increased to 84%, though issues like early collection times and bin placement affected the 90% target. Recycling services showed mixed results: contamination rates remained high, but recycling amounts slightly increased. Satisfaction with recycling and green waste services improved to 83% and 79%, respectively, but both missed the 90% target.

Sustainability and Resilience

Facility emissions decreased to 2,076 tCO₂-e, a 30% reduction from 2021-22. The electric vehicle fleet grew to 69%, and fossil fuel vehicle emissions are on track for zero by 2031. Community Resilience Plans older than 24 months dropped to 51%, missing the target due to resource limitations and the need for better community engagement.

Regulatory Services

Building consent and code compliance processing times fell short of targets due to high demand and resource constraints. Non-notified resource consents improved to 77% within statutory timeframes. Food premises verification reached 98%, and inspections for high-risk liquor premises and noise complaints were effectively managed. Animal control saw a significant rise in community education programs.

Transport

The Council faced challenges in improving travel times on key routes due to limited resources for necessary measurements. The road condition index and ride quality ratings declined slightly, influenced by increased traffic and adverse weather. The percentage of road resurfacing fell short of the target, while footpath conditions and satisfaction improved to 51%. Overall satisfaction with local roads rose to 44% but remained below the 80% target. Fatalities and serious injury crashes increased to 35, higher than the previous year's target, with a high personal risk rating of 3.00%.

Infrastructure and Active Modes

Audit results for infrastructure contracts were positive, with 100% meeting standards. The total length of cycleways and shared paths has increased. Resident satisfaction with cycleways improved to 44% and shared paths to 51%, reflecting ongoing concerns about management and safety.

Parking and Facilities

Parking warnings issued increased to 8,508. Satisfaction with parking availability remained low at 49%, highlighting issues with parking space shortages, high fees, and enforcement practices.

Community Services

The Council successfully assisted 50 households into stable accommodation, meeting its target. Legal advice and advocacy services were provided to 99 households. The homelessness prevention program significantly exceeded its target, helping 191 households compared to the 75 aimed for. All nine community hubs met their visitor targets, with satisfaction remaining high at 88%.

Recreation and Culture

The Council managed grass sportsfield closures within the target of 20 days, while artificial turf sportsfields were closed for zero days. Satisfaction with sportsfields, parks, and playgrounds was close to or above the 80% target. Libraries saw a significant increase in physical loans to 724,981, with high satisfaction at 88%. Three out of five pools met their visitor targets, and fitness suite memberships rose to 1,806. Resident satisfaction with pools remained steady at 81%. Museums saw increased visits and high satisfaction at 92%.

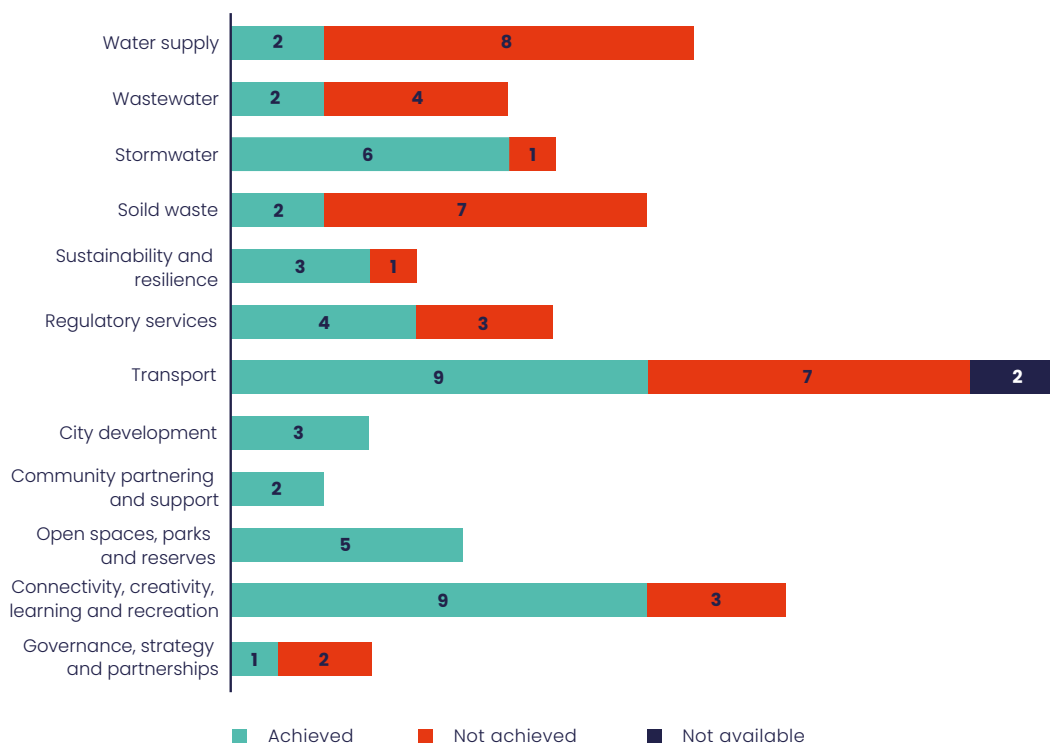
The Council met its target of 100% for making meeting and committee agendas publicly available on time. However, resident satisfaction with access to decision-making and the perceived effectiveness of public participation fell short of the 80% target, with satisfaction at 39% and feelings of being well-informed at 48%. Feedback indicates concerns about the Council's responsiveness to public input.

Conclusion

In 2023-2024, our performance showed both successes and areas needing improvement. Water management encountered difficulties with bacteria compliance and an increase in complaints, despite meeting protozoal standards. Wastewater management excelled with low overflow rates but faced challenges related to odour and enforcement actions. Stormwater management met targets for water quality and flood responses, though satisfaction with the service remained a concern. Waste management saw a reduction in litter complaints but struggled with recycling targets. On the sustainability front, we made notable progress, reducing emissions and expanding our electric vehicle fleet. Looking ahead, the KPIs outlined in the LTP 24-34 are designed to further improve our accountability, transparency, and overall performance, addressing the areas where we need to do better.

City Governance

KPI measure achievement by activity areas:



Te Whakahoutanga o Ngā Wai e Toru Three Waters Reform

Three Waters Reform/ Local Water Done Well

In December 2023 the Government announced a new direction for water services, (drinking water, wastewater and stormwater services) called Local Water Done Well.

The Government has introduced legislation that establishes the Local Water Done Well framework and the preliminary arrangements for the new water services system. It lays the foundation for a new approach to water services management and financially sustainable delivery models that meet regulatory standards.

Local Water Done Well is being implemented in three stages, each with its own piece of legislation. The second stage is underway, with the Local Government (Water Services Preliminary Arrangements) Bill introduced to Parliament on 30 May and the final legislation enacted in late August 2024. A further Bill providing more detail is expected to be introduced in December 2024.

A regional response

One of the legislative requirements is for councils to develop water services delivery plans. With other councils, we have signed an Memorandum of Understanding (MoU) to work together on a plan in response to the Government's Local Water Done Well policy. This MoU was signed by the four

Wellington metropolitan councils, GWRC and Kāpiti Coast, Horowhenua, Carterton, South Wairarapa and Masterton District Councils.

An Advisory Oversight Group (AOG) for this regional approach has been established. This is led by Dame Kerry Prendergast and made up of elected members from the 10 councils in the Wellington region and Horowhenua District along with iwi representatives. Our council is represented on the AOG by Mayor Campbell Barry.

AOG Chair Dame Kerry Prendergast says the councils, representing more than half a million people, are committed to the process and are working at pace to ensure the right approach to water management is reached.

Work is at an early stage to examine reasonably practicable options, including continuing the status quo service delivery option and establishing a new water services organisation with other Wellington region councils.

Consultation is likely to be undertaken in 2025 once we have further developed options for consideration.



Pūrongo Kaitātari Kaute

Independent Auditor's report

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18 October 2024**Report no: PFSC2024/5/309**

Quarter 1 2024-25 Council's Performance Report

Purpose of Report

1. The purpose of the Quarterly Performance Report is to provide an overview of Council's performance results from 1 July to 30 September 2024.

Recommendation

That the Committee receives and notes the Quarterly Performance Report for the period 1 July to 30 September 2024, attached as Appendix 1 to the report.

Background

2. The Quarterly Performance Report has been developed to present findings and results from Quarter 1 (1 July to 30 September 2024).
3. This quarter, officers have made a range of presentational improvements to the report, which enhance readability. This is part of continuous improvements being made to performance reporting at Council.

Discussion

4. Key highlights and challenges faced by Council over the quarter are detailed on pages 4-8 of the attached report in Appendix 1.
5. Non-financial KPIs: There are 77 indicators in the Annual Plan/Long Term Plan, 53 of which are reported quarterly. The remaining 24 are reported annually. 66% of these targets were met.
6. A breakdown of data and information by wellbeing is provided on pages 18-33 attached as Appendix 1 to the report.

Options

7. Not applicable

Climate Change Impact and Considerations

8. There are no climate change impacts or considerations arising from this report.

Consultation

9. There are no consultation requirements arising from this report.

Legal Considerations

10. There are no legal considerations arising from this report.

Financial Considerations

11. The financial summary is provided on pages 34-43 attached as Appendix 1 to the report.

Appendices

No.	Title	Page
1 ↓	Quarter 1 Performance Report 24-25	288

Author: Gemma Birse

Head of Enterprise Portfolio Management Office

Approved By: Jarred Griffiths

Director Strategy and Engagement



Hutt City Council

Quarterly Performance Report

Quarter 1: 2024-25



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Introduction

This report provides a summary of Hutt City Council's progress on the 10 Year Plan (LTP), Annual Plan, and the Chief Executive's strategic objectives for Quarter 1 of 2024-2025.

The report is designed to equip the Chief Executive, Corporate Leadership Team, and our employees with the information needed to align efforts across teams and groups. This ensures the delivery of Council's strategic outcomes while maintaining a strong focus on performance and accountability.



Q1 Performance Report



1 Highlights & Challenges

What's this section about?

This section summarises our performance, focusing on our achievements, key highlights, and challenges we're facing



Highlights

Bell Park blessing

A blessing was held on 8 August, to acknowledge the completion of works and the re-opening of Bell Park in Waiwhetū. The redevelopment includes planting, new connecting paths and a fitness circuit, as well as design features inspired by the cultural narrative for the park.

Māori Wards reaffirmed

On 6 September, Council reaffirmed its decision to have a Māori Ward councillor in the 2025 elections. Consequently, Council will also have to hold a binding poll regarding Māori Wards at the 2025 election.

Best Finance team award – 2024 New Zealand CFO Awards

The finance team has been awarded the Best Finance Team of the Year.

City Summit event held

On 18 September, over 200 people attended the inaugural City Summit. Participants were asked to share their thoughts on what matters most to them, what they're grateful for in Lower Hutt, what we could do better and what we want to leave for future generations. Results from the City Summit will inform the development of the City Strategy in 2025.

Planting of Harakeke at Hutt Park

An innovative collaboration between TRM Training and Council saw Harakeke plants that were destined for disposal replanted at Hutt Park and provided invaluable work experience for 30 local rangatahi.

Highlights

Mouri Tupu planting

So far 60,658 native plants have been planted in the Mouri Tupu planting for the future initiative – over halfway towards the target of 114,000. 2,000 native plants were picked up by residents at two community days at Avalon Park and Hikoikoi Reserve in August.

Emergency Management

During Q1, preparations continued for Exercise Rū Whenua a Rohe on 7 November. Such an exercise helps ensure staff meet current compliance requirements. Fully compliant EOC staffing levels as at Q1:

- Advanced – 18
- Intermediate – 21
- Foundation – 17

A further 64 employees have completed Foundation, Intermediate or Advanced courses but have not yet met all compliance requirements.

Website refresh

The Hutt City Library service launched its refreshed website. The recent library system upgrade made the existing website and search catalogue obsolete. Our new website is separate from the search catalogue, and has added functionality, improved accessibility, and improved the management of content. You can check out the new website at hubs.huttcity.govt.nz.

Building consents

For Q1, 78% of building consents were granted in statutory timeframes (within 20 working days). This is a 38% improvement on the same period last year.

Highlights

Representation review

Following a strong response to consultation on Council's representation review recommendations, Council agreed to its final representation proposal. The decision will see a number of changes in Council arrangements for the 2025 elections, including the disestablishment of community boards and the introduction of a Māori Ward councillor

CareerFest held

The Hutt Valley Chamber of Commerce held the annual CareersFest alongside the Women in Trades expo at the Lower Hutt Events Centre. 70+ employers and education providers connected with over 1,700 rangatahi from secondary schools across the Hutt Valley to discuss future jobs and training opportunities.

Moerā Library Whakamoe Whare

The Moerā Neighbourhood Hub Project Team in collaboration with Taranaki Whānui ki Te Upoko o Te Ika held a Whakamoe Whare Ceremony on 7 July to lay the mana of the Moerā Library building to rest.

Te Kawa Whakaruruhau published

Te Kawa Whakaruruhau is a document that provides everyone here at Te Kaunihera o Te Awa Kairangi ki Tai Council with insight and understanding of the kawa and tikanga that all Treaty partners and Council staff should embrace in their respective areas, within Te Awa Kairangi ki Tai Lower Hutt.

Partnership with New Zealand Police

NZ Police helped us deliver three retail safety workshops for 100 business participants alongside our city safety team, South End Business Group, Queensgate and Jackson Street Programme. These will continue for FY24-25 across more areas of our city.

Resource consents

94% of resource consents were processed on time in Q1 (100% achieved in September). This is compared to 76% in Q1 in 2023-2024.

Challenges

Broader policy settings

Updates have been provided to elected members on new policy settings and legislation. In Q1, Council responded successfully to amendments to Māori Ward provisions in the Local Electoral Act. Nonetheless, the broader legislative context remains in a state of flux, with Council scanning and monitoring for further change.

Standard & Poor's credit rating

During Council's Annual Plan 2023-24 and the 10 Year Plan 2024-2034 (LTP) processes, the risks of a potential downgrade of our AA credit rating from S&P were highlighted. Standard & Poor's has lowered Hutt City Council's long term credit rating one notch from AA to AA- with the rating outlook maintained at a 'negative' outlook. The short term rating of A-1+ remains unchanged.

Financial Pressures

Challenging economic conditions with inflationary pressures on cost of providing services and capital programme. High costs of borrowing, and external factors such as labour and contractor shortages.

Water

A significant area of focus and investment. The uncertainty over the past 2 years with water reform has meant a lack of investment in much needed WWL systems and technology. The backlog of renewals in water and wastewater networks, including the Seaview WWTP, is resulting in increasing asset failures and non-compliance with consents.

Q1 Performance Report



2

Strategic Focus Areas

What's this section about?

This section provides a progress summary of Council's strategic focus areas



Pou Tāhū

Building a stronger city and thriving community

Delivery of year one of the LTP 2024-2034

Climate action and environmental sustainability

- An initiative is underway at Council, which will see at least 80% of current contracts (value of \$1m or more per year) report emissions and reduction actions. This will be assessed as part of the work to compile Council's organisational footprint for 23-24, to be completed by the end of November.
- The climate team is working closely with our procurement team on upcoming, large procurements to ensure that all new contracts of \$1M value or more per year include specific emission reduction requirements and actions.
- The final Request for Proposal is scheduled to commence at the end of October for work to divert green and food waste from landfills. The Mechanical Biological Treatment trial with Waste Management New Zealand (WMNZ) is not going ahead due to consenting requirements. WMNZ will conduct the trial at one of its own sites.
- The Climate and Sustainability Committee was briefed on opportunities to reduce contamination in early September. More detailed work on selected actions is now underway.
- Conversations with Wellington Water Limited regarding trade waste are at an advanced stage. It was expected that consolidating the services would come at an increased cost.

Emergency preparedness and public safety

- The Emergency Operations Centre was partially activated on 26 August in response to heavy rain causing surface flooding in Waiwhetū, Melling and Hutt Central and elevated levels for Hutt River and Waiwhetū Stream. There were no significant impacts following this event.
- The Joint Civil Defence Emergency Management Operation Agreement between councils in the greater Wellington region for delivering CDEM operational matters is being reviewed.
- CCTV enabling activities have been completed, including the formation of the CCTV Governance Group, completion of CCTV core system improvements, and upgrading of the CCTV Control Room. In addition, the majority of City Safety and Assets & Facilities CCTV cameras have been migrated to the new CCTV solution.

Pou Tāhū

Building a stronger city and thriving community

Delivery of year one of the LTP 2024-2034

Strategic planning and city development

- Engagement with Mana Whenua on the citywide spatial plan continued during the quarter. Draft document for community engagement is well underway with District Plan Review Committee and Council approvals planned for November.
- On 18 September, the Mayor hosted the City Summit. The event was successful and kicked off engagement on priorities for the City Strategy. Further engagement is planned for Q2 and Q3.

Fiscal sustainability and broader policy settings

- Council has a target of achieving at least \$600,000 in LTP OPEX savings per annum. Identification of savings opportunities continues, with expenditure reductions already made through the LTP process. Savings initiatives of note include:
 - Procurement reviews, with changes to new suppliers to get better value for money
 - Delaying work that is not priority and can be paused with no impact on services
 - Being innovative and trying new approaches with potentially significant benefits.
- Council responded successfully to amendments to Māori Ward provisions in the Local Electoral Act.
- Updates have been provided to elected members on new policy settings and legislation. Several submissions were made during the quarter, including:
 - A joint submission by Council with the Hutt Valley Chamber of Commerce, Te Rūnanganui o Te Āti Awa and Te Rūnanga o Toa Rangatira on Ministry of Education Vocational Education and Training System changes
 - Second Emissions Reduction Plan
 - Making it easier to build granny flats
 - Proposed Plan Change 50 to the Upper Hutt City District Plan – Rural Chapter Review
 - Setting of speed limits rule
 - Local Government (Water Services Preliminary Arrangements) Bill
 - Pito One name change.

Pou Tāhū

Building a stronger city and thriving community

Delivery of year one of the LTP 2024-2034

Water reform

- Throughout the quarter, the Advisory Oversight Group met to progress a collective water services delivery plan in line with the Local Water Done Well. Briefings were held with elected members on 30 August and 1 October, as well as with the Minister of Local Government. The Local Government Funding Agency announcements about debt will have an impact on councils and new entities. Work is ongoing on financial modelling.

Customer service and digital transformation

- Council has completed the initial phase of its Customer Relationship Management (CRM) project. The main tasks have been identified and a detailed plan for starting development has been drafted. The next phase starts on 7 October.
- The new Bookings solution is due to go live in Q2. Pre-go-live planning and user acceptance testing are currently underway.

Pou Tokomanawa

Our environment and culture provide a positive employee experience that enables our people to thrive

Focus on improving systems and processes

Hybrid Cloud

- The Hybrid Cloud major migration was successfully completed in August 2024, with the majority of Council's network infrastructure now running from a secure private cloud hosted in an offsite datacentre. The project has enabled Council to step forward in growing our network resilience. The last stage of the project is currently being planned which will deliver a comprehensive disaster recovery solution.

Staff recruitment, retention and engagement

- Planning has been undertaken for the next Waiora Pulse Survey, which will run in Q2 (from 11 November).
- Diversity survey has been developed for distribution in Q2.

Health and safety

- Work has commenced to review current metrics reported on and consider what information would be useful for the Audit and Risk Subcommittee on a six month basis to ensure assurance.

Pou Tuarongo

Doing the basics brilliantly

Representation

Representation review

- On 11 September, Council agreed on its final representation proposal, which was publicly notified the following day. The Appeals and Objections period runs through to 12 October.

Pou Tuarongo

Doing the basics brilliantly

Organisational innovation

Artificial intelligence (AI)

- A trial relating to the use of AI at Council has concluded. An in-depth evaluation of the feedback gathered throughout the trial will now take place to understand which roles would benefit the most from an AI tool and insights into the timesaving benefits.

Stakeholder engagement and business support

Engagement with Government agencies

- Regular interactions with the Department of Internal Affairs. Meeting with the Minister of Tertiary Education and Skills at WelTec. Council also met with the Ministry of Social Development and the Social Development Minister at a stakeholder event in Lower Hutt. Work with Taumata Arowai on water standards. Regular catch-ups with Kainga Ora, Ministry of Housing and Urban Development, Health NZ Te Whatu ora. We have signed the deed with the Ministry for the Environment regarding funding for the roll-out costs for food and green organics, but this will not be drawn on until a final decisions have been made later in 2025.

Business support

- New Zealand Police has helped Council deliver three retail safety workshops for 100 business participants, providing businesses with practical tools for safety, theft prevention and customer communication. This occurred alongside our city safety team, South End Business Group, Queensgate and Jackson Street Programme. These will continue for FY24-25 across more areas of the city.
- Lower Hutt businesses are participating in WellingtonNZ's Bid Ready programme to build capability and participate in procurement processes for pakihi Māori and Pasifika businesses.

Improvements to contract management

Contract management improvement plan

- Improvements to contract management are underway. Actions have been extracted from an external report and are being mapped into an improvement programme with owners and timeframes.

Pou Tuarongo

Doing the basics brilliantly

Regulatory compliance

Compliance

- For Q1, 78% of building consents were granted in statutory timeframes, within 20 working days. This is a 38% improvement from the same period last FY.
- For Q1, Council achieved 94% of non-notified resource consents processed within 20 working days.
- Work is ongoing and on track to seek approval from Council to notify the Proposed District Plan.

Pou Whenua

Our Mana Whenua partners, and their priorities are at the core of our policies and practices

Excellent relationships with Mana Whenua

Giving effect to Te Tiriti o Waitangi

- Mana Whenua have approved Council's adoption of Te Herenga Kairangi, with our Te Tira Māori work programme integrated into it, reflecting Mana Whenua aspirations. Mana Whenua have had opportunities to provide strategic and operational advice through the Kāhui Mana Whenua forum, on Council projects that contribute to city-wide developments, district plan reviews, identification of sites of significance, and the inclusion of Mana Whenua aspirations in the Spatial Plan.
- The implementation of priority areas in Te Herenga Kairangi has commenced. Efforts to consolidate completed projects and initiatives that contribute to the Te Herenga Kairangi action plan are now underway. These efforts will inform the inaugural report to the Communities, Culture and Partnerships Committee, scheduled for 13 November.
- Mana Whenua are engaged in discussions around new legislation and Government policies through the quarterly Mana Whenua hui. Te Rūnanganui o Te Āti Awa hosted the joint hui with Taranaki Whānui and Te Rūnanga o Toa Rangatira on 7 August. Hikoikoi Management Limited hosted the Wellington Tenth and Palmerston North Māori Reserve Trusts quarterly hui on 30 August.

Q1 Performance Report



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Projects & Programmes

What's this section about?

This section provides an overview of the major programmes and projects currently delivering services, assets or improvements across the organisation and wider community



Major Projects updates

Q1 Performance Report

PROJECT/PROGRAMME	PROGRAMME/ PROJECT MANAGER	FINANCIALS		PROJECT HEALTH								Q1 SUMMARY
		WOL COST (CAPEX & OPEX)	ACTUALS	OVERALL	Scope	Schedule	Budget	Risk	Issues	Benefits	H&S	
Te Wai Takamori Te Awa kairangi (Riverlink) Business Owner: Jon Kingsbury	Orla Harkin	\$212.8m	\$25.9m	R	G	A	A	A	A		A	Throughout Q1, Te Awa Kairangi remained focused on confirming a delivery plan, construction sequence and commercial arrangements. Significant development and refinement of the preferred programme was completed over the quarter to understand timeframes, dependencies and partnership risks.
Infrastructure Acceleration Fund (IAF) Stormwater and Wastewater Business Owner: Jon Kingsbury	Eddie Anand	\$174.3m	\$3.0m	G	A	G	G	A	G	G	G	Stage 1 feasibility studies for stormwater and wastewater were successfully completed and received approval from the Council at the July 2024 meeting. IAF funding contribution from Kainga Ora for Stage 1 will be at the approval of Stage 2 Delivery Plan.
Tupua Horo Nuku Sponsor: Jon Kingsbury	Rona Lemalu	\$79.95m	\$45.16m	G	G	A	A	A	G	G	G	As at 30 September, the project is 46% complete on cost to date, up 40% from June. Schedule, budget and risk indicators continue to report AMBER due to dependencies on the Te Ara Tupua project and the refreshed claims process with Crown Infrastructure Partners (CIP).
Te Kōhao o te Ngira / Go Digital Programme Business Owner: Lyndon Allott	Megan Connew-Simmons	\$17.73m	\$9.67m	A	G	A	G	A	A	A	A	As at the end of Q1, the programme is indicating an overall health status of AMBER due to extra oversight required on projects to ensure go-live dates are met. All five of the active projects within the programme and currently in delivery are indicating on track with overall health statuses of GREEN.
Whakatupu Ngaenga Business Owner: Andrea Blackshaw	Andrew Quinn	P&F: \$68m Comm: \$9m	P&F: \$62.66 Comm: \$6.78m	A	A	A	G	A	G	G	G	The Pool and Fitness Centre project is still largely on track for completion in late 2024, as at the end of Q1. Weather events have pushed completion out slightly, but no time extension has been sought. Practical completion is expected to be achieved by 31 October with work underway to consider marketing plan, community test days and a date for the blessing and opening.
Moera Neighbourhood Hub Business Owner: Andrea Blackshaw	Joann Ransom	\$1.2m	\$0.2m	G	G	A	G	G	G	G	G	As at the end of Q1, the overall health status of the project is reporting GREEN and on track. A preferred contractor has been selected to undertake the construction of the new Hub, and work has commenced. Moerā Library ceased operations in its existing building on 27 June and began operating from the Moerā Community Hall on 1 July.

RAG Status

G = On track minimal

A = Delayed/at risk: some

R = Off track significant risk

N/A: Update not

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Q1 Performance Report



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Non-financial Key Performances Indicators

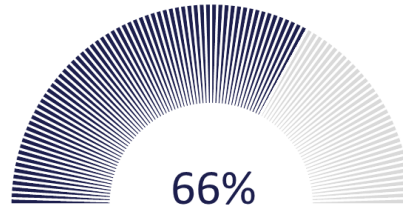
What's this section about?

A summary of our performance over the quarter according to our Annual Plan key performance measures



Hutt City Council

HCC Q1 result



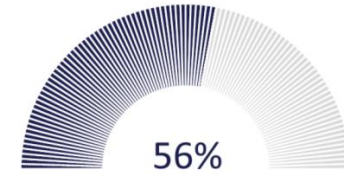
Summary

- There are 77 indicators in the Annual Plan/LTP.
- 53 of these are reported on quarterly.
- 24 are reported on annually and will be included in Year End (YE) figures in the Q4 and Annual Reports.

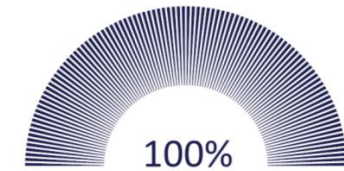
How did we do?

- 66% of targets were met in Q1
- This compares to 57% for the same period in 2023/24.

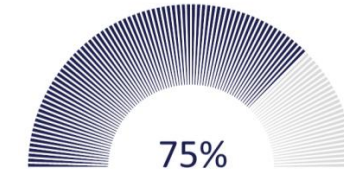
Environmental wellbeing
Q1 result



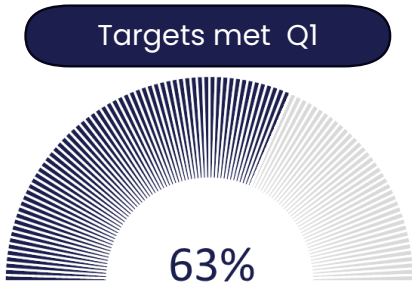
Economic wellbeing
Q1 result



Social & cultural wellbeing
Q1 result



Water supply



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
WS1	The extent to which the water supply will comply with part 4 of the New Zealand drinking water standards and the drinking water quality assurance rules (bacteria and protozoal compliance criteria)	100%	100%	100%	✓	
WS2	Number of complaints received about water clarity, taste, odour, pressure, flow and continuity of supply per 1,000 connections	≤20	≤5	6.6	✗	
WS3	Attendance for urgent callouts: from the time the local authority received notification to the time service personnel reach the site	≤90 mins	≤90 mins	52 mins	✓	
WS4	Resolution time of urgent callouts: from the time the local authority receives notification to the time service personnel confirm the resolution of the fault or interruption	≤8 hours	≤8 hours	3.2 hours	✓	

✓ Target met ✗ Target not met

Q1 Performance Report



Water supply

✓ Target met ✗ Target not met

Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
WS5	Attendance for non-urgent callouts: from the time the local authority received notification to the time service personnel reach the site	≤72 hours	≤72 hours	90 hours	✗	Despite not meeting the target, we have seen improvement, bringing them down from over 190 hours in the previous quarter. This progress is the result of increased investments, and continuous advancements in job management, which have substantially reduced the backlog and improved our response times.
WS6	Resolution of non-urgent callouts: from the time the local authority receives notification to the time service personnel confirm resolution of the fault or interruption	≤20 working days	≤20 working days	7 working days	✓	
WS7	Average drinking water consumption per resident per day	≤385 litres	≤385 litres	411 litres	✗	Per capita consumption across metro-area councils has steadily decreased, driven by increased investments that have enabled us to quickly address leaks and substantially reduce the backlog to more manageable levels. We continue to advocate for investments in water loss initiatives and network renewals to achieve even more reductions.
WS8	Kilometres of renewals for 3 Waters infrastructure	Baseline year	Baseline year	3 km	✓	

Wastewater



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
W1	Dry weather wastewater overflows per 1,000 connections	≤20	≤5	0	✓	
W2	Number of complaints per 1,000 connections	≤30	≤7.5	8	✗	Commentary will be provided with final results
W3	Attendance time: from the time the territorial authority receives notification to the time service personnel reach the site	≤90 mins	≤90 mins	182 mins	✗	Commentary will be provided with final results
W4	Resolution time: from the time the territorial authorities receives a notification to the time service personnel confirm resolution of the blockage or other fault	≤8 hours	≤8 hours	24 hours	✗	Commentary will be provided with final results
W5	Compliance with resource consents measured by the number of abatement notices, infringement notices, enforcement orders, and convictions from wastewater system	0	0	1	✗	0 = no enforcement action HCC received an abatement notice requiring all parties to complete the upgrade to the biofilter systems at Seaview Wastewater Treatment Plant. WWL, Veolia and UHCC also received an abatement notice with the same requirements.

✓ Target met ✗ Target not met

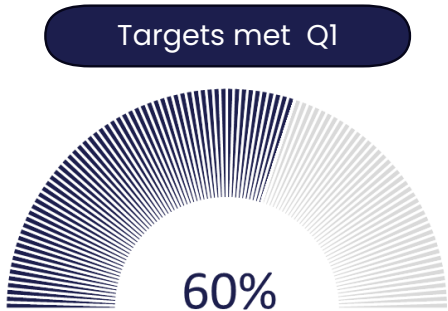
Stormwater



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
S1	Number of flooding events (where stormwater enters a habitable floor)	≤2	≤0.5	0	✓	
S2	Number of habitable floors affected by flooding events (per 1,000 connections)	≤0.24	≤0.06	0	✓	
S3	Number of complaints about stormwater system performance (per 1,000 connections)	≤20	≤5	3.9	✓	
S4	Median response time to attend a flooding event, measured from the time the territorial authority receives a notification to the time service personnel reach the site	≤8 hours	≤8 hours	0	✓	
S5	Compliance with resource consents for discharges from the stormwater system (number of abatement notices, infringement notices, enforcement orders, and convictions)	0 notices	0 notices	0	✓	

✓ Target met ✗ Target not met

Solid waste



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
SW1	Number of resource consent-related infringement notices received from Greater Wellington Regional Council	0 notices	0 notices	0 notices	✓	
SW2	Number of illegal dumping complaints	≤296	≤74	41	✓	
SW3	Tonnes of kerbside waste to landfill (tonnes per person)	≤22,543 / 114,000 = 0.20	5,636 / 114,000 = 0.05	5,585 / 114,000 = 0.05	✓	
SW4	Percentage of kerbside recycling that is contaminated and diverted to landfill	≤10%	≤10%	15%	✗	New ways of educating residents are being explored by the team
SW5	Tonnes of kerbside recycling collected	≥6,132	≥1,533	1,207	✗	

✓ Target met ✗ Target not met

Sustainability & resilience

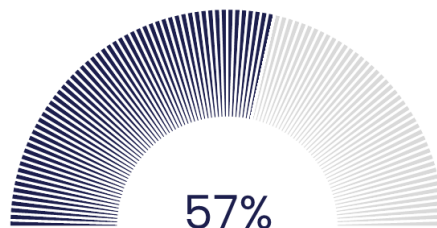


Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
SR1	Emissions from Council owned facilities (tCO2-e)	≤1,453	≤363	711.5	✗	
SR2	Emissions from Council owned fossil fuel vehicles (tCO2-e)	≤46.9	≤11.7	20.6	✗	

✓ Target met ✗ Target not met

Regulatory services

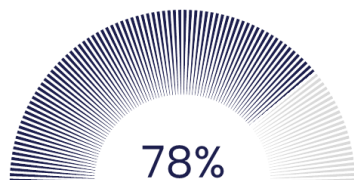
Targets met Q1



Commentary

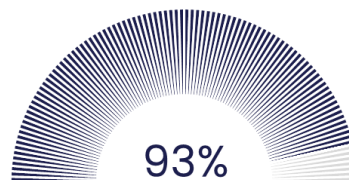
- 57% of Regulatory Services targets were met in Q1.
- While not meeting target, the percentage of all consents processed within timeframes has improved significantly.
- 20 animal management community education programmes were carried out in Q1.

**Building consents
processed within timeframes (R1)**



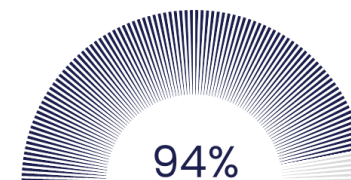
36% improvement on Q1 23-24. Resourcing issues are impacting timeframes. There are also several consents on hold from earlier in the year.

**Code of compliance certificates
processed within timeframes (R2)**



31% improvement on Q1 23-24. Issues have been identified with the statutory clock in the system. The system is undergoing an upgrade.

**Non-notified resource consents
processed within timeframes (R3)**



18% improvement on Q1 23-24. 100% were processed on time in September. No long term consents on hold.

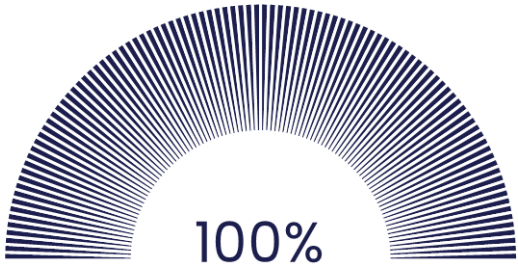
Regulatory services

✓ Target met ✗ Target not met

Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
R1	Percentage of building consents processed within statutory timeframe	100% within 20 days	100% within 20 days	78%	✗	Target not met due to resourcing issues. There are a number of consents on hold from earlier in the year when timeframes weren't met
R2	Code of compliance certificates issued within the statutory timeframe	100% within 20 days	100% within 20 days	93%	✗	Issues with the statutory clock have been identified in the system. The system is undergoing an upgrade, and staff will receive training
R3	Percentage of non-notified resource consents processed within statutory timeframes	100% within 20 days	100% within 20 days	94%	✗	Target not met. However, 100% of the consents were processed on time in September. Seeing consistent improvements with no long term consents on hold
R4	Existing food premises verified within time frames (one month of due date)	85% by due date	85% by due date	100%	✓	
R5	Sale and supply of liquor (high risk premises) inspected	95% checked	95% checked	105%	✓	
R6	Noise control (excessive noise) complaints (%) investigated within 45 minutes	≥85%	≥85%	94%	✓	
R7	Number of animal management community education programmes carried out yearly	≥20	≥5	20	✓	

Transport

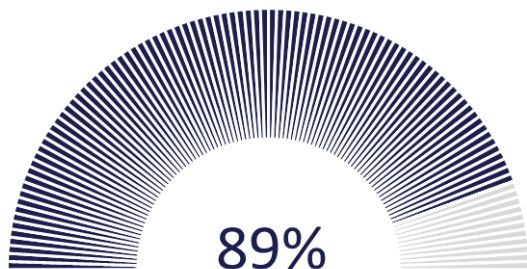
Targets met Q1



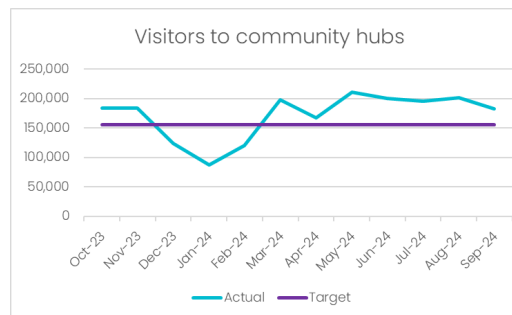
Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
T1	Kilometres of shared pathways and cycle lanes are added annually	Baseline year	Baseline year	0 km	✓	
T2	Kilometres of renewals for footpaths	Baseline year	Baseline year	0.7 km	✓	
T3	Audit of contracts – number of contracts audited	12 of 12	12 of 12	12 of 12	✓	
T4	Audit of contracts – percentage of audited contract specifications that met contractual obligations	≥90%	≥90%	90%	✓	
T5	The number of fatalities and serious injury crashes on the local road network	≤35	≤8.7	5	✓	

Community partnering & support

Targets met Q1



Annual trends

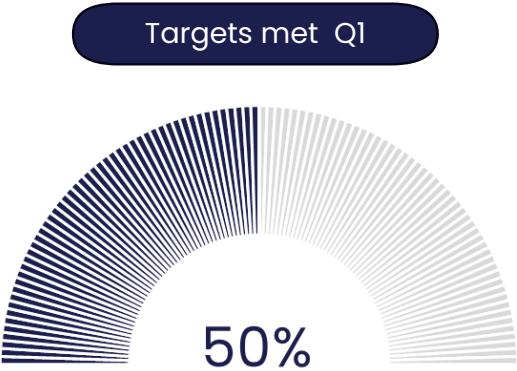


Community partnering & support

Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
CP1	Number of Te Awa Kairangi Lower Hutt households assisted into more settled accommodation	≥50	≥12.5	17	✓	
CP2	Number of households provided with legal housing advice and advocacy	≥80	≥20	19	✗	
CP3	Number of households assisted by the homeless prevention programme	≥80	≥20	41	✓	
CP4	Number of neighbourhood hubs that met visitor number targets	9 of 9	9 of 9	9 of 9	✓	
CP5	Number of community wellbeing activities delivered by, or in partnership with, Council	≥3,000	≥750	2,059	✓	
CP6	Number of overall loans from hubs/libraries	≥790,000	≥197,500	262,242	✓	
CP7	Number of digital literacy programmes/activities delivered/enabled	≥100	≥25	89	✓	
CP8	Number of early years literacy programmes/activities delivered/enabled	≥800	≥200	436	✓	
CP9	Number of Neighbourhood Support member households	≥96	≥96	280	✓	

✓ Target met ✗ Target not met

Open spaces, parks and reserves

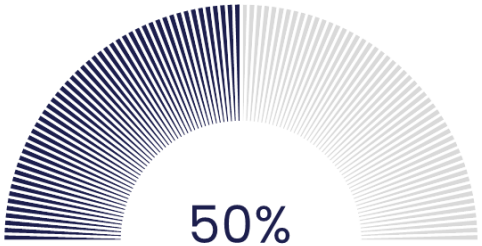


Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
PR1	Number of days Council owned/maintained artificial turf sports fields are closed (due to maintenance issues)	≤20 days	≤5 days	0 days	✓	
PR2	Number of days Council owned/maintained grass sports fields are closed (due to maintenance or drainage issues)	≤10 days	≤2.5 days	8 days	✗	Target not met due to ongoing drainage issue. We should see improvement by end of the year due to current drainage investment programme

✓ Target met ✗ Target not met

Connectivity, creativity, learning & recreation

Targets met Q1



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
C1	Number of pools that met visitor number targets	5 of 5	5 of 5	4 of 5	✗	Stokes Valley closed for two weeks for annual maintenance which wasn't reflected in the quarterly target
C2	Number of fitness suite members	≥1,400	≥1,400	1,974	✓	
C3	Number of museums that met visitor number targets	2 of 2	2 of 2	1 of 2	✗	The Dowse missed target. Several galleries were closed for four weeks while exhibitions were set up
C4	Number of arts and culture programmes delivered at museums	≥200	≥50	112	✓	Bookings for next quarter are tracking well

✓ Target met

✗ Target not met

Governance, strategy & partnerships



Code	Indicator	24/25 Target	Q1 Target	Q1 Actual	Q1 Result	Commentary
G1	Percentage of Council agendas made available to the public within statutory timeframes (four clear working days under Council's standing orders)	100%	100%	100%	✓	

✓ Target met ✗ Target not met

Q1 Performance Report



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Financial Summary

What's this section about?

This section summarises our financial performance, including net operating and capital results for the quarter



Operating performance results

The year-end forecast net operating result including rates is \$0.1M unfavourable against a revised budget of \$49.1M

Key favourable variances are:

- \$0.2M in City development mainly due to additional revenue forecast for Riverbank market which has been extended beyond June 2024.

Key unfavourable variances are :

- \$0.3M in Regulatory services mainly based on changes to revenue forecast partially offset by reduction in resourcing and operational cost requirements.

Capital Contributions

- Capital contributions are forecast to be under budget by \$0.1M mainly due to subsidy related to delayed capital projects.

Depreciation:

- The asset revaluation process for 30 June 2024 has resulted in much higher three water asset values than assumed in the LTP. This has resulted in higher depreciation in 2024-25, with \$7.7M more depreciation compared to budget reflected in the September results. The full year impacts will be forecast in quarter 2 when the external audit of the revaluation is completed.

Capital investment performance results

Year to date capital spend is \$33.4M or 12.5% against a revised budget of \$267M for the year.

- Most projects are forecast to be on budget by year end, noting that most of the capital expenditure is expected to occur during the summer months.

Financial Performance Results overview

Operating performance results

Category \$million	YTD Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Operating Revenue	23.5	24.6	(1.1)	4.5%	●	94.5	95.5	(1.0)	1.0%	●	95.3
Operating Expenditure	(81.2)	(81.2)	-			(327.3)	(328.2)	0.9	0.3%	●	(323.7)
Net Operating Before Rates Income	(57.7)	(56.6)	(1.1)	1.9%	●	(232.8)	(232.7)	(0.1)		●	(228.4)
Rates Income	183.6	183.6	-			183.6	183.6	-			183.6
Net Operating	125.9	127.0	(1.1)	0.9%	●	(49.2)	(49.1)	(0.1)	0.2%		(44.8)
Capital Contributions	8.5	15.2	(6.7)	44.1%	●	75.3	75.4	(0.1)	0.1%	●	79.2
Net Surplus/(Deficit) Before Adjustments	134.4	142.2	(7.8)	5.5%	●	26.1	26.3	(0.2)	0.8%	●	34.4
Other Non Operating Adjustments	(4.5)	0.4	(4.9)	1225.0%	●	1.5	1.5	-			1.5
Net Surplus/(Deficit)	129.9	142.6	(12.7)	8.9%	●	27.6	27.8	(0.2)	0.7%	●	35.9

Key:

Favourable or minimal variance:



Moderate variance:



High unfavourable variance:



Capital performance results

Note: Other operating adjustments include accounting (non-cash) gains/(losses) on the revaluation of financial instruments and disposal of assets

Capital \$millions	Year End Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Total	33.4	52.4	19.0	36.3%		266.8	267.2	0.4	0.1%		247.9

Operating performance results

Net Operating Results By Activity (Excludes Rates, Capital contributions & Support Costs)

\$Million	Year End Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Environmental Wellbeing											
Water Supply	(12.6)	(9.9)	(2.7)	27.3%	●	(39.5)	(39.5)	-			(40.0)
Wastewater	(10.5)	(8.8)	(1.7)	19.3%	●	(34.7)	(34.7)	-			(34.7)
Stormwater	(6.7)	(3.5)	(3.2)	91.4%	●	(13.0)	(13.0)	-			(13.0)
Solid Waste	-	0.2	(0.2)	100.0%	●	0.7	0.6	0.1	16.7%		0.6
Sustainability & Resilience	(0.4)	(0.5)	0.1	20.0%	●	(2.2)	(2.0)	(0.2)	10.0%	●	(2.0)
Regulatory Services	-	0.1	(0.1)	100.0%	●	(2.6)	(2.3)	(0.3)	13.0%	●	(2.3)
Environmental Wellbeing Total	(30.2)	(22.4)	(7.8)	34.8%		(91.3)	(90.9)	(0.4)	0.4%		(91.4)
Economic Wellbeing											
Transport	(5.5)	(8.1)	2.6	32.1%	●	(33.3)	(33.3)	-			(33.3)
City Development	(2.6)	(2.9)	0.3	10.3%	●	(15.3)	(15.5)	0.2	1.3%	●	(12.3)
Economic Wellbeing Total	(8.1)	(11.0)	2.9	26.4%		(48.6)	(48.8)	0.2	0.4%		(45.6)
Social & Cultural Wellbeing											
Community Partnering & Support	(2.5)	(2.7)	0.2	7.4%	●	(10.8)	(10.8)	-			(9.8)
Open Spaces, Parks & Reserves	(3.9)	(5.4)	1.5	27.8%	●	(21.4)	(21.4)	-			(21.2)
Connectivity, Creativity, Learning & Recreation	(5.1)	(5.7)	0.6	10.5%	●	(23.7)	(23.7)	-			(23.7)
Governance Strategy & Partnerships	(0.8)	(0.9)	0.1	11.1%	●	(3.5)	(3.6)	0.1	2.8%		(3.6)
Corporate Services	(7.2)	(8.6)	1.4	16.3%	●	(33.5)	(33.5)	-			(33.1)
Social & Cultural Wellbeing Total	(19.5)	(23.3)	3.8	16.3%	●	(92.9)	(93.0)	0.1	0.1%		(91.4)
Whole of Council	(57.8)	(56.7)	(1.1)	1.9%		(232.8)	(232.7)	(0.1)			(228.4)

Operating performance results

Net Operating Results By Activity (Excludes Rates, Capital contributions & Support Costs)

The year-to-date net operating result including rates is \$1.1M (1.9%) unfavourable compared to revised budget.

- The key drivers for the variances are:
- \$7.7M higher depreciation charges for Water Services based on revaluation of assets as at 30 June 2024. The full year forecast will be updated once the Annual report for 2024 and the revaluations are finalised. This is offset by \$2.3M lower charges in Transport and other activities.
- \$1M lower revenue than the revised budget largely in pools and landfill which is offset by lower operating costs
- \$1.3M higher operating subsidies in transport.
- \$0.8M lower costs related to delay in demolition of Point Howard Wharf.

The year-end forecast results are largely aligned to budget with minor variances at this point.

Capital investment results

Capital results by activity

Category \$million	Year End Actual	YTD Revised Budget	Variance	%	Annual Forecast	Annual Revised Budget	Variance	%	Annual Plan Budget
Environmental Wellbeing									
Water Supply	7.2	6.6	(0.6)	9.1%	26.2	26.2	-		22.6
Wastewater	6.1	13.1	7.0	53.4%	55.8	55.8	-		55.3
Stormwater	0.6	2.1	1.5	71.4%	20.1	20.1	-		18.8
Solid Waste	1.1	2.9	1.8	62.1%	11.7	11.7	-		11.1
Sustainability & Resilience	-	0.1	(0.1)	100.0%	0.3	0.3	-		0.3
Environmental Wellbeing Total	15.0	24.8	9.8	39.5%	114.1	114.1	-		108.1
Economic Wellbeing									
Transport	10.8	12.2	1.4	11.5%	71.1	71.5	0.4	0.6%	69.6
City Development	1.9	2.0	0.1	5.0%	34.1	34.1	-		32.0
Economic Wellbeing Total	12.7	14.2	1.5	10.6%	105.2	105.6	0.4	0.4%	101.6
Social & Cultural Wellbeing									
Community Partnering & Support	-	0.4	0.4	100.0%	1.4	1.4	-		0.5
Open Spaces, Parks & Reserves	0.5	4.0	3.5	87.5%	16.1	16.1	-		15.0
Connectivity, Creativity, Learning & Recreation	4.7	7.7	3.0	39.0%	24.4	24.4	-		18.3
Corporate Services	0.5	1.4	0.9	64.3%	5.5	5.5	-		4.3
Social & Cultural Wellbeing Total	5.7	13.5	7.8	57.8%	47.4	47.4	-		38.1
Whole of Council	33.4	52.5	19.1	36.4%	266.7	267.1	0.4	0.1%	247.8

Capital investment results cont.

Capital results by expenditure type

Capital expenditure is sorted into three categories to consider the renewal or replacement of assets, the improvements in service levels and to respond to the growth of the city.

Capital Type \$Million	Year End Actual	YTD Revised Budget	Variance	%	Annual Forecast	Annual Revised Budget	Variance	%	Annual Plan Budget
Replacements	15.0	21.0	6.0	28.6%	88.2	88.2	-		80.1
Improvements	17.9	25.4	7.5	29.5%	137.5	137.9	0.4	0.3%	128.3
Growth	0.5	6.0	5.5	91.7%	41.0	41.0	-		39.5
Total	33.4	52.4	19.0	36.3%	266.7	267.1	0.4	0.1%	247.9

Year-end capital spend is forecast to be under budget by \$0.4M

Underspend

Transport is forecast to be underspent by \$0.4M at year end, mainly in the Micromobility programme due to timing changes. The rest of the workplan is forecasting to be on budget and are expected to revise forecasts during the summer works window based on weather conditions.

Capital investment results cont.

Neutral

Three Waters is not forecasting any variance at this stage. Year to date the work programme is underspent by \$7.8M compared to budget. Wellington Water and City Delivery team for IAF projects are reviewing the 2024-25 and out year workplan and budgets and are expected to revise the forecasts following this review.

Solid Waste is forecast to be on budget at year end. Year to date is underspent by \$1.8M. Accelerated landfill requirements and the funding associated with this is being reviewed and the forecast changes will be reflected following this review being finalised.

City Development is forecasting to be on budget at year end. This is mainly Te Wai Takamori o Te Awa Kairangi, the changes to timing and phasing for this project are still being reviewed and will be updated following this review being finalised.

Open Spaces, Parks and Reserves is forecasting to be on budget. YTD underspend is \$3.5M and is largely due to timing delays for Point Howard Wharf demolition, Reserves development projects and Akatarawa Cemetery works.

Connectivity, Creativity, Learning and Recreation is forecasting to be on budget pending budget decisions. YTD underspend is \$3M and is largely due to timing delays for Pools projects which will be requesting a reallocation of budget across different pool projects and Petone Library renewal which will be requesting a deferral as the project timing is expected to be phased out to 2025-26.



Annual Plan vs Revised Budget

The current Long Term Plan 2024–2034 (LTP) was approved by Council on 27 June 2024. The annual budgets included for 2024–25 were based on the best financial information and estimates available at the time of preparation of the LTP.

A revised budget for 2024–25 was created to reflect the budget updates required to improve the accuracy of budgets and the associated reporting of variances. The focus of performance monitoring is on financial results compared to the revised budget, as this is the most meaningful form a performance perspective.

The following table provides a summary view of the budget changes made to date and includes decisions made at Council meetings. These changes are now reflected in the revised budgets

\$million						Net Surplus 2024–25	Capital 2024–25				
Annual Plan 2024–25						34.4	247.9				
						Surplus					
2023–24 year end carryovers						(3.6)	22.1	Council meeting 26 August 2024			
Micromobility budget change – including subsidy removal						(4.4)	(2.8)	Council meeting 26 August 2024			
Revised budget 2024–25 as at Q1 Reporting Date						26.4	267.2				
						Surplus					

Balanced operating budget

The current LTP includes a financial strategy that outlines important principles that provide the foundation for prudent sustainable financial management. This includes achieving a balanced operating budget and ensuring that everyday costs are paid for by everyday income. The LTP projected that a balanced budget would not be achieved until 2028-29.

The Hutt City Council balanced budget target is defined as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude from the definition of revenue Waka Kotahi's capital improvement subsidies, Infrastructure Acceleration Fund grants and central government COVID-19 Response and Recovery co-funding for Naenae Pool and Tupua Horo Nuku.

With the annual forecast variances compared to revised budgets as reported above, the year end balanced budget position for 2024-25 is reflected in the table below.

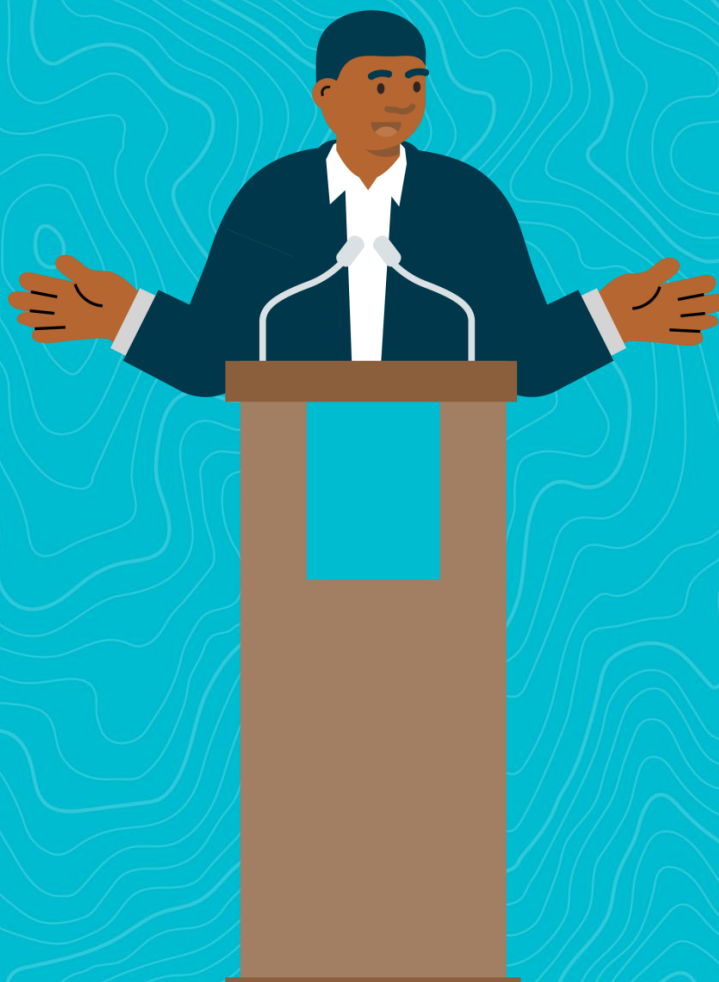
\$Million	Year End Actual	YTD Revised Budget	Variance	%		Annual Forecast	Annual Revised Budget	Variance	%		Annual Plan Budget
Net Operating	125.9	127.0	1.1	0.9%	●	(49.2)	(49.1)	(0.1)	0.2%	●	(44.8)
Plus Capital Renewals	-	1.2	1.2	100.0%	●	6.3	7.0	(0.7)	10.0%	●	7.0
Total	125.9	128.2	2.3	1.8%	●	(42.9)	(42.1)	(0.8)	1.9%	●	(37.8)

6

Treasury Management Summary

What's this section about?

This section provides an overview of how Hutt City Council is complying with Treasury Risk Management Policy limits and the performance of treasury activities against plans



Treasury report

Our focus

The focus of treasury management activity has been on:

- managing interest rate risk and minimising funding costs,
- monitoring cash flow and liquidity,
- managing debt requirements and the maturity profile.

Highlights Q1

- An average cost of funds of 4.82% has been achieved this quarter, which is slightly below budget by 0.02%. This was a result of market conditions.
- Interest costs were in line with budget for the period.
- Interest earned on cash holdings was favourable to budget by \$0.35M due to higher cash holdings from pre-funding activities and higher market interest rates.

	Actual YTD	YTD Budget	Variance
Average cost of funds	4.82%	4.84%	0.02%
Interest expense – borrowings	(\$6.88M)	(\$6.86M)	(\$20k)
Interest earned	\$1.4M	\$1.05M	\$350K
Fair value loss on derivatives	(\$4.68M)	-	-

Debt portfolio performance

- Net debt* increased from \$434.8M (30 June 2024) to \$445.7M as at 30 September 2024, whilst gross debt increased from \$510.7M to \$591.7M⁸¹ over the same period.
- Completed \$81M of debt issuance in the three months to 30 September 2024:
 - o New debt of \$31M to fund Council's capital investment programme
 - o \$10M of on-lending to Urban Plus Limited
 - o \$40M of pre-funding for our upcoming debt maturities.
- Funds not immediately required were placed on term deposit (at higher rates than our borrowing costs).
- No debt matured during the three-month period to 30 September 2024.
- Both revolving credit facilities, LGFA (\$35M) and Westpac (\$25M), remained undrawn as at 30 September 2024.

Interest Rate Swaps:

Council has a range of interest rate swap agreements in place to manage interest rate risk and to provide some certainty of future interest costs. Due to fluctuations in the interest rate market the overall mark-to-mark value of these agreements is constantly changing.

At 30 September 2024 a fair value loss of \$4.7M was recorded. This is an accounting adjustment required to be recorded and here are no cash flow implications.

* Net debt is calculated from Gross Debt, **less** CCO investment, LGFA Borrower Notes, pre-funding Term Deposits and cash holdings.

Policy compliance and risk controls

Policy compliance

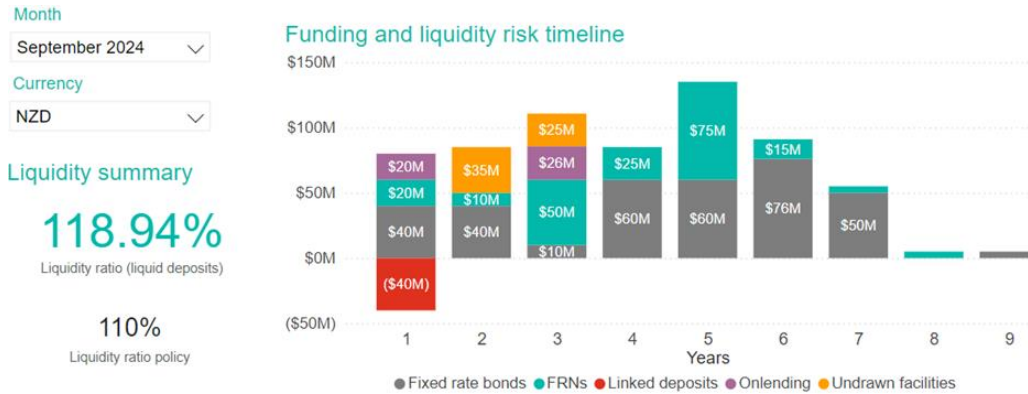
<u>Measures</u>	<u>Policy</u>	<u>Actual</u> <u>30 September 2024</u>	<u>Compliant</u>
Net external debt/total revenue	Maximum 250%	152.41%	Yes
Net interest on external debt/total revenue	Maximum 15%	2.60%	Yes
Net interest to annual rates income	Maximum 25%	2.97%	Yes
Liquidity ratio	Minimum 110%	118.94%	Yes

Funding risk control limits

<u>Period</u>	<u>Minimum %</u>	<u>Maximum %</u>	<u>Actual gross debt</u> <u>Not including</u> <u>Revolving Credit</u> <u>Facility (\$60M)</u>	<u>Actual %</u> <u>30 June 2024</u>	<u>Compliant</u>
0 to 3 years	15%	60%	\$215.7M	36%	Yes
3 to 7 years	25%	85%	\$366.0M	62%	Yes
7 years plus	0%	60%	\$10.0M	2%	Yes
<u>Total</u>			<u>\$591.7M</u>	<u>100%</u>	

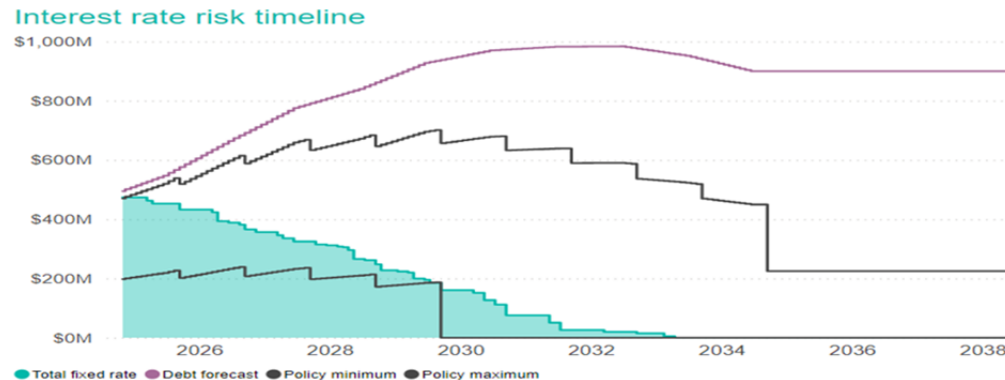
Funding maturity and interest rate risk

Funding maturity profile



Interest rate risk control limits

Interest rate risk is managed through the risk control limits. The following graph shows the level of fixed rate cover in place within the minimum and maximum limits of the treasury risk management policy.



After overlaying interest rate swaps, the split between fixed and floating debt is as follows:

