

TE KAUNIHERA O TE AWA KAIRANGI | HUTT CITY COUNCILKOMITI ITI MAHERE Ā-NGAHURUTANGA / MAHERE Ā-TAU
LONG TERM PLAN/ANNUAL PLAN SUBCOMMITTEE

Minutes of a meeting held in the Council Chambers,
2nd Floor, 30 Laings Road, Lower Hutt on
Monday, 24 February 2025, commencing at 9:00 am

PRESENT:

Mayor C Barry (Chair)	Deputy Mayor T Lewis
Cr G Barratt	Cr J Briggs
Cr K Brown (from 10.21am)	Cr B Dyer (from 9.03am)
Cr S Edwards	Cr A Mitchell
Cr K Morgan	Cr C Parkin
Cr N Shaw	Cr T Stallinger
Cr G Tupou (from 9.15am)	

APOLOGIES:

Crs Brown, Dyer and Tupou for lateness

IN ATTENDANCE:

J Miller, Chief Executive
A Blackshaw, Director Neighbourhoods and Communities
J Griffiths, Director Strategy and Engagement
A Geddes, Director Environment and Sustainability
J Kingsbury, Director, Economy and Development
J Livschitz, Group Chief Financial Officer
B Cato, Chief Legal Officer
C Parish, Head of Mayor's Office
D Nunnian, Manager Financial Planning and Performance
R Hardie, Head of Strategy and Policy
B Hodgins, Strategic Advisor (part meeting)
A Andrews, Finance Transaction Services Manager
J Scherzer, Head of Climate, Waste and Resource Recovery (part meeting)
G Muller, Advisor Resource Recovery (part meeting)
N Twilton, Strategic Financial Advisor (part meeting)
W Botha, Corporate Planning Lead
K Glanville, Senior Democracy Advisor
H Clegg, Minute Taker

PUBLIC BUSINESS

1. **OPENING FORMALITIES - KARAKIA TIMATANGA**

Whakataka te hau ki te uru	<i>Cease the winds from the west</i>
Whakataka te hau ki te tonga	<i>Cease the winds from the south</i>
Kia mākinakina ki uta	<i>Let the breeze blow over the land</i>
Kia mātaratara ki tai	<i>Let the breeze blow over the ocean</i>
E hī ake ana te atakura	<i>Let the red-tipped dawn come with</i>
He tio, he huka, he hau hū	<i>a sharpened air.</i>
Tihei mauri ora.	<i>A touch of frost, a promise of a</i>
	<i>glorious day.</i>

2. **APOLOGIES**

RESOLVED: (Mayor Barry/Cr Briggs)

Minute No. LTPAP 25101

"That the apology received from Cr Brown, Dyer and Tupou for lateness be accepted."

3. **PUBLIC COMMENT**

There was no public comment.

Cr Dyer joined the meeting at 9.03am.

4. PETITION

Closure of the Pedestrian Walkway on Ava Rail Bridge

Mayor Barry elaborated on the petition. He confirmed that, following discussions with KiwiRail, the pedestrian walkway would remain open until the end of 2025 while permanent access options were explored. He added that Council would consider options and potential budget implications in due course. He acknowledged local MP Chris Bishop's involvement in the conversations.

Deputy Mayor Lewis agreed to meet with the petitioners.

RESOLVED: (Mayor Barry/Deputy Mayor Lewis) **Minute No. LTPAP 25102**

"That the Subcommittee:

- (1) notes the residents and staff of the Bob Scott Retirement Village submitted a petition to the Mayor regarding the closure of the pedestrian walkway on the Ava Rail Bridge on 23 January 2025;*
- (2) notes that the petition exceeds the 150 word limit specified under Council's Standing Order 18.1;*
- (3) approves the acceptance of the petition attached as Appendix 1 to the report;*
- (4) thanks the petitioners for the work that went into preparing the petition; and*
- (5) notes that Mayor Barry will write a letter with a formal update to the petitioners."*

5. CONFLICT OF INTEREST DECLARATIONS

There were no conflict of interest declarations.

6. **RECOMMENDATIONS TO TE KAUNIHERA O TE AWA KAIRANGI COUNCIL - 24 February 2025**

a) Draft Annual Plan 2025-26 update

The Group Chief Financial Officer elaborated on the report and shared a presentation that can be viewed here: [Draft Annual Plan 2025-26 Update](#).

The Head of Strategy and Policy advised that the Local Water Done Well consultation process would be run separately but concurrently with the Annual Plan public consultation process.

The Group Chief Financial Officer advised that if further savings were required, members would need to direct officers on which services levels to reduce or which projects and initiatives to cease or postpone. She stated that public consultation might be required if such actions were taken. She also highlighted that the key strategic risk arising from the proposed Annual Plan was that Council's S&P rating might be downgraded due to higher debt levels and a delayed balanced budget forecast.

Cr Tupou joined the meeting at 9.15am.

In response to questions from members, the Group Chief Financial Officer indicated that the forecast debt projection did not account for the potential transfer of Three Waters assets from Council, as it remained uncertain. She mentioned that removing these responsibilities could improve net revenue projections. However, the implications of establishing a new Three Waters Council Controlled Organisation and the timing of the reform were still unclear, pending final legislation, which could significantly affect the balanced budget forecast. She confirmed that Wellington City Council was no longer funding depreciation for water assets. She advised that that was effectively what officers had proposed for Council's Annual Plan, albeit differently.

PRECEDENCE OF BUSINESS

RESOLVED: (Mayor Barry/Deputy Mayor Lewis) **Minute No. LTPAP 25103**

"In accordance with Standing Order 10.4, that items 6b) 'Draft Annual Plan 2025-26 – Rating Policy decisions 2' and 7) 'Further advice on Food Organics and Green Organics' be accorded precedence."

Following consideration of items 6b) and 7), the meeting moved to the public excluded part of the meeting at 9.42am. The meeting moved back to the public part at 11.20am.

The items are recorded in the order that they appear on the agenda.

a) Draft Annual Plan 2025-26 update

Members agreed to Table 2: 'Budget Rephrasing For Consideration by Council' in the officer's report. It was agreed that Item 4 - 'Fraser Park Buildings to be demolished', be reworded to read "*Funding* for two of the three....."

The Group Chief Financial Officer announced a revised rates increase of 12.8% and noted that budget implications were assessed only for the 2025-26 financial year. She said that officers would provide updates on future years.

Members agreed to the Wastewater and Water supply targeted rates outlined in Section E of the officer's report.

Members agreed to the Refuse, Recycling and Green Waste targeted rates outlined in Section E of the officer's report.

Members agreed to the proposed Fees and Charges attached as Appendix 2 to the officer's report.

In relation to the Draft Engagement document, members agreed that it was necessary to mention the reduction in funding for the National Land Transport Plan to keep the public fully informed. Members recognised that the work backlog would still not be reduced despite the increased spending related to Three Waters. The Chief Executive agreed to review the wording of the Draft Engagement document for better clarity.

The meeting adjourned at 11.58am and resumed at 12.03pm.

Mayor Barry thanked officers for their work and acknowledged the economic challenges. He emphasised the importance of continued investment in water infrastructure while assuring ratepayers that, although water-related costs would endure, they should become more manageable over time.

Cr Stallinger expressed concerns about Council's spending and supported further cuts to non-essential services. He raised reservations regarding the costs associated with water infrastructure and anticipated the value for money review of Wellington Water Limited (WWL) results. He emphasised that Council should conduct its review due to a lack of confidence in WWL.

Cr Briggs thanked officers for their reports, supported the proposed budget's focus on core business spending, and looked forward to the engagement process.

Cr Tupou regarded the discussions as a model of responsible governance, emphasising the proactive nature of the Annual Plan. He also pointed out that the proposed rates increase was among the lowest in the Wellington region.

Cr Edwards opposed conducting a separate Council review of WWL, citing concerns about cost and duplication. He urged that the results of the WWL review be thoroughly understood before taking any further action.

The Chief Executive assured members that the Wellington Water Committee recognised the concerns about value for money, noting that commercial tension had weakened since the 2019 alliance transition. She highlighted a government submission recommending benchmarking for future water

entities and reported that WWL expected a 15% efficiency improvement in renewals in the near future. She confirmed that a report on the WWL review would be presented to Council as soon as practicable.

Cr Shaw recognised financial challenges, appreciated efforts to lower the rates increase, and reaffirmed her support for small community initiatives.

Cr Barratt expressed concern about increasing rates due to public concerns and widespread financial hardship.

Cr Dyer supported efforts to maximise value for money in water renewals. Although he was comfortable with the Annual Plan process, he expressed concern about the proposed rates increase.

Cr Brown endorsed the proposed Annual Plan, emphasising the thorough process undertaken and the necessity of proceeding with essential works.

RECOMMENDED: (Mayor Barry/Cr Briggs) **Minute No. LTPAP 25104**

“That the Subcommittee recommends that Council:

- (1) *notes that at its meeting on 16 December 2024, the Long-Term Plan/Annual Plan Subcommittee agreed on a range of financial decisions related to the preparation of the draft Annual Plan 2025-26;*
- (2) *agrees to the budget matters as detailed in table 2;*
- (3) *notes the detailed budget review process undertaken for the draft plan to offset cost pressures and notes that a range of savings, project deferrals and user fee increases have been applied;*
- (4) *notes that to reduce the rates revenue increase impacts for 2025-26, that officers require direction from elected members on areas of levels of service reduction, such as projects stopped or deferred;*
- (5) *notes the projected higher debt levels together with unfavourable movement in the balanced operating budget as detailed in tables 5 and 6;*
- (6) *notes the changes to the balanced operating budget target as defined in our Financial Strategy and changes to the prudence benchmark per the legislative requirements of the Local Government Act and Financial Reporting and Prudence Regulations 2014 as outlined in Section D of the report;*
- (7) *supports in principle the proposed increase in fees and charges for parking, with the exception of motorcycle charges, and asks officers to provide further information regarding the increase of fees and charges parking as per the feedback provided during the meeting;*
- (8) *supports in principle the reduction of the Petone 2040 budget for 2025/26 only, being Capex of \$222k and Opex of \$53k and notes that this budget would continue as per the Long Term Plan for the remaining years;*
- (9) *agrees to a range of budget decisions and staffing reductions as agreed during the meeting;*
- (10) *approves the rates revenue increase to be included in the Draft Annual Plan 2025-26 as detailed below;*

Rates revenue increase (after growth of 0.9%)	2026	2027	2028	2029	2030	2031	2032	2033	2034
Long Term Plan 2023-2034	13.4%	12.6%	12.6%	12.4%	12.0%	7.0%	7.0%	7.0%	7.0%
Draft Annual Plan 2025-26	12.8%	12.9%	12.9%	12.7%	12.3%	7.8%	7.8%	7.8%	7.8%

- (11) *approves the targeted rates for Wastewater and Water Supply presented in Section E of the report to be included in the Draft Annual Plan 2025-26;*

- (12) *approves the targeted rates for Refuse, Recycling and Green Waste presented in Section E of this report to be included in the Draft Annual Plan 2025-26;*
- (13) *approves the proposed fees and charges schedule for inclusion in the draft plan, refer to Appendix 2 attached to the report;*
- (14) *notes the direction provided to officers on the draft engagement document, attached as Appendix 1 to the report;*
- (15) *delegates the power to the Annual Plan Working Group (the Mayor and Committee Chairs) to progress the engagement document and make content decisions ahead of final recommendations for Council consideration on 25 March 2025;*
- (16) *agrees that the engagement to the draft Annual Plan 2025-26 will run from 27 March to 27 April 2025; and*
- (17) *notes the further feedback and direction provided to officers on the content of the draft Annual Plan 2025-26, attached as Appendix 2 to the report."*

Crs Barratt and Stallinger requested their dissenting vote be recorded against part (10) above.

b) Draft Annual Plan 2025-26 - Rating Policy decisions 2

The Manager Finance Transaction Services elaborated on the report.

In response to questions from members, the Manager of Finance Transaction Services noted that officers would investigate the possibility of charging a fee for paper rates notices. However, she was unsure if any New Zealand councils did this. She confirmed that Wellington region councils have four rate instalments per year and mentioned that all paper notices include an option to switch to email. She highlighted that a communication plan was being developed to promote this option and direct debit payments.

Cr Stallinger supported reducing the rate instalments to four, as it would create consistency in the region. Crs Morgan and Briggs agreed with Cr Stallinger's comments.

Cr Dyer supported having two per annum to save more money. He stressed the need for a detailed communications plan.

Cr Edwards supported reducing the number of instalments to four, accompanied by a robust communications plan. He said the plan should highlight the various options for spreading payments throughout the year rather than limiting them to only four payments.

Crs Parkin and Tupou supported the move to four instalments, with the possibility of reducing to two in the future.

Mayor Barry supported rescinding the proposed Voluntary Targeted Rates scheme.

RECOMMENDED: (Mayor Barry/Cr Morgan) **Minute No. LTPAP 25105**

"That the Subcommittee recommends that Council:

Voluntary Targeted Rate for Infrastructure Repairs on Private Land

- (1) *notes the updated information provided in the report regarding the proposed introduction of three Voluntary Targeted Rates (VTR) for funding three waters infrastructure repairs on private land;*
- (2) *notes the challenges associated with administering a VTR scheme beyond 1 July 2026 and agrees that proceeding with such a scheme is no longer the recommended option in the context of the proposed water reform programme;*
- (3) *agrees to rescind the proposed VTR scheme;*

Reducing the Number of Rates Instalments

- (5) *notes the additional information provided regarding the reduction of rates instalments, including the legal requirement for ratepayers to opt-in to receive rates invoices by email and the potential for further savings from reducing to two instalments, refer to Section B of the report;*

- (6) *approves the proposal to reduce the number of instalments to four as part of the planning for the 2025/26 financial year;*
- (7) *agrees to the implementation of a comprehensive communication plan to inform ratepayers about the change and support for ratepayers through flexible payment options, including direct debits and email invoicing; and*
- (8) *considers any further direction and guidance to be given to officers in the preparation of the DAP26."*

7. FURTHER ADVICE ON FOOD ORGANICS AND GREEN ORGANICS (FOGO)

Report No. LTPAP2025/1/36 by the Advisor Resource Recovery

The Head of Climate, Waste and Resource Recovery elaborated on the report.

In response to questions from members, the Head of Climate, Waste and Resource Recovery reported that the Silverstream Landfill captured 60% to 90% of methane gas, depending on efficiency. He highlighted that methane escaping from the landfill was Council's largest source of emissions and that emissions would be 10 times higher without the recovery system.

In response to questions from members, the Advisor of Resource Recovery advised that the amount of commercial green waste received by the landfill was unknown. In contrast, the amount collected via the kerbside bins was 11 tonnes per annum.

In response to questions from members, the Head of Climate, Waste and Resource Recovery stated that auditing commercial bins and skips was not feasible. He indicated that a commercial FOGO system would follow once the residential system was fully implemented, noting that commercial FOGO volumes were significantly higher than residential ones. He suggested that a commercial collection service could lower costs for residents and mentioned that specialised vehicles might be needed, with potential efficiencies at processing facilities rather than collection sites.

RESOLVED: (Mayor Barry/Cr Edwards)

Minute No. LTPAP 25106

"That the Subcommittee:

- (1) *notes the further advice on the proposed food and green organics (FOGO) collection service;*
- (2) *notes that while Council could make decisions now on whether it wishes to continue with the proposed FOGO service, finalised costs to implement and operate a FOGO service will not be known until further work is completed (including completing the procurement of a processing solution); and*
- (3) *notes that officers will provide the next update on FOGO post-November 2025."*

8. QUESTIONS

There were no questions.

EXCLUSION OF THE PUBLIC

RESOLVED: (Mayor Barry/Cr Briggs)

Minute No. LTPAP 25107

"That the public be excluded from the following parts of the proceedings of this meeting, namely:

6a. Draft Annual Plan 2025-26 update - Supplementary savings information

The general subject of each matter to be considered while the public is excluded, the reason for passing this resolution in relation to each matter, and the specific grounds under section 48(1) of the Local Government Official Information and Meetings Act 1987 for the passing of this resolution are as follows:

(A)	(B)	(C)
<i>General subject of the matter to be considered.</i>	<i>Reason for passing this resolution in relation to each matter.</i>	<i>Ground under section 48(1) for the passing of this resolution.</i>
<i>Annual Plan 2025-26 update - Supplementary savings information.</i>	<i>The withholding of the information is necessary to protect the privacy of natural persons. (s7(2)(a)).</i>	<i>That the public conduct of the relevant part of the proceedings of the meeting would be likely to result in the disclosure of information for which good reason for withholding exist.</i>

This resolution is made in reliance on section 48(1) of the Local Government Official Information and Meetings Act 1987 and the particular interest or interests protected by section 6 or 7 of that Act which would be prejudiced by the holding of the whole or the relevant part of the proceedings of the meeting in public are as specified in Column (B) above."

9. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA

Unuhia!	<i>Release us from the supreme sacredness</i>
Unuhia!	<i>of our tasks</i>
Unuhia i te uru-tapu-nui	<i>To be clear and free</i>
Kia wātea, kia māmā	<i>in heart, body and soul in our continuing journey</i>
Te ngākau, te tinana, te wairua i te ara takatū	<i>Oh Rongo, raise these words up high</i>
Koia rā e Rongo whakairihia ake ki runga	<i>so that we be cleansed and be free,</i>
Kia wātea, kia wātea!	<i>Yes indeed, we are free!</i>
Ae rā, kua wātea!	<i>Good and peaceful</i>
Hau, pai mārire.	

The Chair declared the public excluded part of the meeting closed at 11.20am. There being no further business, the Chair declared the meeting closed at 12.30 pm.

C Barry
MAYOR

**CONFIRMED as a true and correct record
this 25th day of March 2025**