

**HUTT CITY COUNCIL****KOMITI RATONGA RANGATŌPŪ ME TE RAUTAKI  
POLICY, FINANCE AND STRATEGY COMMITTEE**

Minutes of a meeting held in the Council Chambers, 2nd Floor, 30 Laings Road,  
Lower Hutt on

**Tuesday 7 October 2025 commencing at 2:00 pm**

To watch the livestream of the meeting, please click the link here:

[7 October 2025 Policy, Finance and Strategy Committee](#)

**PRESENT:**

|                          |                                     |
|--------------------------|-------------------------------------|
| Cr A Mitchell (Chair)    | Mayor C Barry                       |
| Cr K Brown (from 2.23pm) | Cr B Dyer                           |
| Cr Edwards               | Deputy Mayor T Lewis (Deputy Chair) |
| Cr K Morgan              | Cr C Parkin                         |
| Cr T Stallinger          |                                     |

**APOLOGIES:**

There were no apologies.

**IN ATTENDANCE:**

Cr J Briggs  
Cr G Barratt  
J Miller, Chief Executive  
A Blackshaw, Director Neighbourhoods and Communities  
J Griffiths, Director Strategy and Engagement  
A Geddes, Director Environment and Sustainability (via audio-visual link)  
J Kingsbury, Director Economy and Development  
J Livschitz, Group Chief Financial Officer  
B Cato, Chief Legal Officer  
C Ellis, Head of Chief Executive's Office  
P Hewitt, Head of Transport  
R Hardie, Head of Strategy and Policy  
J Scherzer, Head of Climate, Waste and Resource Recovery  
D Nunnian, Manager Financial Planning & Performance  
D Cowan, Corporate Planning Advisor  
W Botha, Corporate Planning Lead  
D Newth, Senior Financial Accountant  
B Hodgins, Strategic Advisor  
Y Chung, Senior Financial Advisor  
V Gilmour, Democracy Advisor

**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 a sharpened</i>  |
| He tio, he huka, he hau hū   | <i>air.</i>                                           |
| Tihei mauri ora.             | <i>A touch of frost, a promise of a glorious day.</i> |

2. **APOLOGIES**

RESOLVED: (Cr Mitchell/Cr Morgan)

**Minute No. PFSC 25401(2)**

*"That the apology received from Cr K Brown for lateness be accepted."*

3. **PUBLIC COMMENT**

There was no public comment.

4. **CONFLICT OF INTEREST DECLARATIONS**

Deputy Mayor Lewis confirmed that she represented Council on the Board of Seaview Marina Limited.

**PRECEDENCE OF BUSINESS**

Pursuant to Standing Order 10.4, the Chair accorded precedence to items 7) Urban Plus Limited Group Annual Report for the Year Ended 30 June 2025 and 8) Seaview Marina Limited Group Annual Report for the Year Ended 30 June 2025. The items are recorded in the order they appeared on the agenda.

5. **RECOMMENDATIONS TO TE KAUNIHERA O TE AWA KAIRANGI  
COUNCIL - 7 October 2025**

a) Hutt City Council Group Annual Report 2024-2025

Debbie Bradfield, Audit Director (via audio-visual link) and Sachi Delpachithra, Senior Auditor (via audio-visual link) from Audit New Zealand were in attendance for the item.

The Corporate Planning Advisor elaborated on the report.

In response to questions from members, the Head of Transport explained that the lower roading condition index results were due to inflated traffic data in the RAM database. He said this issue affected the calculation of smooth travel exposure. He mentioned that Council was working with the external system provider, Think Project, to address the problem and expected improvements to occur once data corrections were implemented. He noted that a revised traffic count programme would begin in early 2026 to improve network monitoring.

Cr Brown joined the meeting at 2.23pm.

In response to questions from members, the Chief Executive acknowledged that reporting of water-related complaints continued to be a known issue due to system limitations shared with Wellington Water Limited. She explained that this issue would not be fully resolved until new systems were implemented as part of water reform. She mentioned that the Customer Relationship Management system had gone live on 6 October 2025, which would enhance data capture and improve response-time reporting for customer service requests.

Members noted that Audit New Zealand's audit opinions for the Group Annual Report 2024/25 and Summary Annual Report 2024/25 had been received, attached as pages 9-19 to the minutes. The audit concluded with an unmodified opinion overall. However, there was a modified opinion regarding specific water services and roading performance measures.

**RECOMMENDED:** (Cr Mitchell/Cr Edwards) **Minute No. PFSC 25402(2)**

*"That the Committee recommends that Council:*

- (1) *notes that on 23 September 2025, the Audit and Risk Subcommittee considered the draft content of the unaudited Hutt City Council Group Annual Report 2024-2025 and recommended that the Policy, Finance and Strategy Subcommittee endorse its adoption subject to satisfactory resolution of:*

- (a) *completion of final design and minor editorial changes;*
- (b) *completion of the external audit and any adjustments required; and*
- (c) *receipt of final audit clearance from Audit New Zealand;*

- (2) *notes that there have been amendments made to the Group Annual Report since it was considered by the Audit and Risk Subcommittee and that these amendments are outlined in paragraph 8;*

- (3) *approves the draft Group Annual Report 2024-2025 and Summary Annual Report 2024-2025, attached as Appendices 1 and 2 to this report, subject to receipt of final audit clearance;*
- (4) *receives Audit New Zealand's opinion on the Group Annual Report 2024-2025 and Summary Annual Report 2024-2025;*
- (5) *adopts the Group Annual Report 2024-2025, attached as Appendix 1;*
- (6) *adopts the Summary Report 2024-2025, attached as Appendix 2; and*
- (7) *delegates to the Chief Executive authority to make minor editorial changes to the Group Annual Report 2024-2025 before publication."*

b) Proposed budget changes for 2025/26

The Manager Financial Planning and Performance elaborated on the report.

- RECOMMENDED:** (Cr Mitchell/Deputy Mayor Lewis)
- Minute No. PFSC 25403(2)**
- "That the Committee recommends that Council:*
- (1) notes the 2024-25 year-end budget changes to projects due to timing changes;*
  - (2) agrees to amend the operating and capital budgets for 2025-26 and later years as detailed in this report due to the changes and delays that have been identified, refer to Tables 1 and 2 contained in the report and Appendix 1 attached to the report; and*
  - (3) agrees to the operating and capital budget changes for 2025-26 and future years as detailed in Table 3 of this report to be included in the Revised budget 2025-2026 and the Draft Annual Plan 2026-2027."*

- c) New Zealand Local Government Funding Agency Annual General Meeting 2025

The Senior Financial Accountant elaborated on the report.

|                                                                                                                                                                                               |                                 |
|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b><u>RECOMMENDED:</u></b> (Cr Mitchell/Cr Dyer)                                                                                                                                              | <b>Minute No. PFSC 25404(2)</b> |
| <i>"That the Committee recommends that Council:</i>                                                                                                                                           |                                 |
| (1) <i>notes that the next Local Government Funding Agency (LGFA) Annual General Meeting (AGM) is scheduled for 18 November 2025;</i>                                                         |                                 |
| (2) <i>agrees that the Group Chief Financial Officer attend the AGM and vote on behalf of Hutt City Council, in line with the decisions that follow;</i>                                      |                                 |
| (3) <i>agrees to vote in support of the appointment of the following as directors of the LGFA Board:</i>                                                                                      |                                 |
| - Helen Robinson; and                                                                                                                                                                         |                                 |
| - Paul Anderson, as detailed in Section B of the officer's report; and                                                                                                                        |                                 |
| (4) <i>agrees to vote in support of Christchurch and Tasman District Councils being reappointed as Nominating Local Authority members, as detailed in Section C of the officer's report."</i> |                                 |

6. **NEW ZEALAND LOCAL GOVERNMENT FUNDING AGENCY 2025 ANNUAL REPORT**

Report No. PFSC2025/5/275 by the Treasury Officer

The Senior Financial Accountant elaborated on the report.

|                                                                                                                                                                         |                                 |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------|
| <b><u>RESOLVED:</u></b> (Cr Mitchell/Cr Morgan)                                                                                                                         | <b>Minute No. PFSC 25405(2)</b> |
| <i>"That the Committee notes and receives the Local Government Funding Agency Annual Report for the year ended 30 June 2025, attached as Appendix 1 to the report."</i> |                                 |

7. **URBAN PLUS LIMITED GROUP ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

Report No. PFSC2025/5/276 by the Senior Financial Accountant

Daniel Moriaty, Chief Executive (via audio-visual link) and Cameron Madgwick, Chair (via audio-visual link) from Urban Plus Limited (UPL) were in attendance for the item.

The Senior Financial Accountant elaborated on the report.

In response to a question from a member, the Chief Executive of UPL reported that the Wellington property market had declined by about 25%, with recent figures showing a reduction of around 30%. He clarified that this decline was attributed to falling property values rather than a decrease in transaction volumes. He mentioned that the Tawhai Street development, initially intended for a community housing provider (CHiP), was now being marketed for individual sales because no CHiP was able to proceed. He highlighted that a real estate agency had been appointed, and marketing for individual home sales had begun this week.

In response to questions from members, the Chief Executive of UPL explained that a 4% increase in tenant satisfaction reflected UPL's focus on upgrades and refurbishments. This included the completion of Healthy Homes work, landscaping with citrus trees, and the provision of vegetable boxes. He emphasised that rent was kept as low as possible within the parameters outlined in the Statement of Intent to support affordability.

In response to further questions from members, the Chief Executive of UPL announced that the Hollard Grove project had advanced after community consultation revealed strong opposition (66%) to a proposed land exchange. As a result, UPL decided not to proceed with the land exchange and instead would redevelop its existing land holdings at Coulson and Hollard Streets. He mentioned that the project would still provide 18 one-bedroom units at Hollard Grove, with current tenants scheduled to be relocated into the new homes by October 2026. He clarified that this timetable would also allow for further redevelopment of the surrounding area.

**RESOLVED:** (Cr Mitchell/Cr Stallinger)

**Minute No. PFSC 25406(2)**

*"That the Committee receives and notes the unaudited Annual Report for Urban Plus Limited and Group for the year ended 30 June 2025, attached as Appendix 1 to the report."*

8. **SEAVIEW MARINA LIMITED ANNUAL REPORT FOR THE YEAR ENDED 30 JUNE 2025**

Report No. PFSC2025/5/277 by the Senior Financial Accountant

Tim Lidgard, Chief Executive and Peter Steel, Chair of Seaview Marina Limited (SML), were in attendance for the item.

The Senior Financial Accountant elaborated on the report.

The Chair of SML reported a successful year for the company, with revenue increasing by 10% following market-aligned berth and rental adjustments. He advised that despite a minor income shortfall, effective expense management enabled SML to deliver a surplus consistent with its Statement of Intent. He noted that preparatory work was underway to support the potential transfer of the marina's breakwater assets from Council ownership to SML in the next financial year.

The Chief Executive of SML announced that the company had retained its Clean Marina accreditation for the third consecutive year and continued to support local marine-based charities, including Sailability and the Petone Fishing Competition.

In response to a question from a member, the Chair of SML confirmed that the transition to market-rate berth and rental charges had been completed, with all customers now paying full market rates.

Members commended SML for its strong performance over the triennium, highlighting improvements in staff engagement, tenant communication, and positive financial results despite a challenging economic environment.

The Chief Executive of SML thanked Council and officers for their continued support in preparing the Annual Report and for assisting the company's operations throughout the year.

**RESOLVED:** (Cr Mitchell/Deputy Mayor Lewis)

**Minute No. PFSC 25407(2)**

*"That the Committee receives and notes the Annual Report for Seaview Marina Limited for the year ended 30 June 2025, attached as Appendix 1 to the report."*

9. **QUESTIONS**

There were no questions.

The Chair thanked members for their contributions throughout the triennium and acknowledged the officers for their continuous support and commitment.

Mayor Barry thanked the Chair for his leadership of the Committee during the triennium, acknowledging his professionalism and contributions to Council's work.

**10. CLOSING FORMALITIES - KARAKIA WHAKAMUTUNGA**

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

There being no further business, the Chair declared the meeting closed at 2.32pm.

A Mitchell  
**CHAIR**

J Miller  
**CHIEF EXECUTIVE**





### Independent Auditor's Report

#### To the readers of Hutt City Council Group's summary of the annual report for the year ended 30 June 2025

The summary of the annual report was derived from the annual report of the Hutt City Council (the Council) and its subsidiaries and controlled entities (the Group), for the year ended 30 June 2025.

The summary of the annual report comprises the following information on pages 37 to 42:

- the summary statement of financial position as at 30 June 2025;
- the summaries of the statement of comprehensive revenue and expenses, statement of changes in equity and statement of cash flows for the year ended 30 June 2025;
- the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary statement of service provision (referred to as "Our Performance at a Glance").

### Opinion

In our opinion:

- the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the annual report; and
- the summary statements comply with PBE FRS 43, *Summary Financial Statements*.

However, the summary statement of service provision information includes a limitation in scope to the equivalent extent as the full audited statement of service provision. This limitation is explained below in "*The full annual report and our audit report thereon*" section.

### Summary of the annual report

The summary of the annual report does not contain all the disclosures required by generally accepted accounting practice in New Zealand. Reading the summary of the annual report and the auditor's report thereon, therefore, is not a substitute for reading the full annual report and the auditor's report thereon.

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### **The full annual report and our audit report thereon**

We expressed a qualified opinion on the statement of service provision (referred to as “Our Performance”), and an unmodified audit opinion on the other audited information in the full annual report for the year ended 30 June 2025, in our auditor’s report dated 7 October 2025. The basis for our qualified opinion on the statement of service provision in the full audit report is explained below.

#### ***Statement of service provision: Our work was limited with respect to several performance measures as described below***

The Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to:

- the total number of complaints received about water supply, wastewater, and stormwater;
- the average quality of ride on the sealed local road network, measured by smooth travel exposure; and
- the percentage of customer service requests relating to roads and footpaths which are responded to within a specified timeframe.

These performance measures are important as they are indicative of the quality of service provided to the community.

We identified significant issues with these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

#### **The total number of complaints received about water supply, wastewater, and stormwater**

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The Council has not been counting complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received for these performance measures.

Our opinion on these performance measures was also qualified in the 2024 performance year.

#### **The average quality of ride on the sealed local road network, measured by smooth travel exposure**

Reported performance of this performance measure is based on surveys of road roughness and traffic volumes. The traffic volumes are based on actual counts of certain roads, and the use of these counts to estimate traffic volumes on the rest of the sealed local road network.

We were unable to obtain assurance over the reliability of estimated traffic volumes used in the calculation of this performance measure. This was because the actual traffic counts used as an input to estimated traffic volumes are not sufficiently up to date, with only a small portion of the road network having counts in the last four years.

In addition, as described on page 41 of the summary of the annual report, the Council identified certain anomalies in its estimations of traffic volumes, which are yet to be resolved.

Therefore, the Council does not have sufficiently reliable data to calculate the average quality of ride on the sealed local road network measured by smooth travel exposure. The actual quality of ride on the sealed local road network may differ materially from the result reported.

**The percentage of customer service requests relating to roads and footpaths which are responded to within a seven-day timeframe**

The Council did not maintain sufficient appropriate evidence to support the time taken to respond to customer service requests relating to roads and footpaths.

Our auditor's report on the full annual report also includes emphasis of matter paragraphs drawing attention to following disclosures.

***Uncertainty over the fair value of three waters assets***

Note 14 on pages 157 to 158 of the full financial statements outlines the significant uncertainties over the fair value of three waters assets as at 30 June 2024 and 30 June 2025. The fair value of these assets has been affected by increased costs of construction over the last few years. The review of procurement arrangements and changes to the region's water services delivery model could lead to future changes in construction costs, which increases the uncertainty over the estimated fair value of these assets.

***Inherent uncertainties in the measurement of greenhouse gas emissions***

The Group has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page 64 of the full annual report, which outlines the inherent uncertainties in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainties because the scientific knowledge and methodologies to determine the emissions factors and processes used to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.

***Future of water delivery***

Note 1 Critical judgements in applying accounting policies, and note 31 of the full financial statements, outline that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Porirua City, Upper Hutt City, Wellington City and Greater Wellington Regional Councils to deliver water, wastewater and stormwater services from 1 July 2026. The financial impact of this decision is unknown because details of the exact arrangements are still to be considered.

Information about these matters are also disclosed on pages 41 to 42 of the summary of the annual report.

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**The Council's responsibility for the summary of the annual report**

The Council is responsible for preparing the summary of the annual report, which includes preparing summary statements in accordance with PBE FRS 43.

**Auditor's responsibility**

Our responsibility is to express an opinion on whether the summary of the annual report represents, fairly and consistently, the information regarding the major matters dealt with in the full annual report and whether the summary statements comply with PBE FRS 43.

Our opinion on the summary of the annual report is based on our procedures, which were carried out in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards and the International Standards on Auditing (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the Council's debenture trust deed, which is compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the Group.



Debbie Bradfield  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand



## Independent Auditor's Report

### To the readers of Hutt City Council Group's annual report for the year ended 30 June 2025

The Auditor-General is the auditor of Hutt City Council (the Council) and its subsidiaries and controlled entities (the Group). The Auditor-General has appointed me, Debbie Bradfield, using the staff and resources of Audit New Zealand, to carry out the audit on his behalf.

We have audited the annual report of the Group in accordance with the Local Government Act 2002 (the Act). We refer to this information as "the audited information" in our report.

We are also required to report on:

- whether the Council has complied with the requirements of schedule 10 of the Act that apply to the annual report; and
- the completeness and accuracy of the Council's disclosures about its performance against benchmarks that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations).

We refer to this information as "the disclosure requirements" in our report.

## Opinion on the audited information

### *Unmodified opinion on the audited information, excluding the statement of service provision*

In our opinion:

- the financial statements of the Group on pages 124 to 198:
  - present fairly, in all material respects:
    - its financial position as at 30 June 2025; and
    - the results of its operations and cash flows for the year ended on that date; and
  - comply with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards;
- the statements comparing actual capital expenditure to budgeted capital expenditure for each group of activities of the Group for the year ended 30 June 2025 on pages 206 to 220, have been prepared, in all material respects, in accordance with clause 24 of schedule 10 to the Act;

- the funding impact statement for each group of activities of the Group for the year ended 30 June 2025 on pages 206 to 218 has been prepared, in all material respects, in accordance with clause 26 of schedule 10 to the Act; and
- the funding impact statement of the Group for the year ended 30 June 2025 on page 219 has been prepared, in all material respects, in accordance with clause 30 of schedule 10 to the Act.

***Qualified opinion on the statement of service provision***

In our opinion, except for the possible effects of the matters described in the *Basis for our opinion on the audited information* section of our report, the Group's statement of service provision for the year ended 30 June 2025 (referred to as "Our Performance") on pages 39 to 48, 51 to 52, 55 to 56, 60 to 61, 64 to 65, 68 to 69, 73 to 75, 79, 83 to 84, 88 to 89, 94 to 95, 99 to 101.

- provides an appropriate and meaningful basis to enable readers to assess the Group's actual service provision for each group of activities; determined in accordance with generally accepted accounting practice in New Zealand;
- fairly presents, in all material respects, the Group's actual levels of service for each group of activities, including:
  - the levels of service achieved compared with the intended levels of service and whether any intended changes to levels of service were achieved; and
  - the reasons for any significant variation between the levels of service achieved and the intended levels of service; and
- complies with generally accepted accounting practice in New Zealand in accordance with Public Benefit Entity Reporting Standards.

**Report on the disclosure requirements**

We report that:

- the Council has complied with the information disclosure requirements of Part 3 of schedule 10 to the Act for the year ended 30 June 2025; and
- the Council's disclosures about its performance against benchmarks required by Part 2 of the Regulations for the year ended 30 June 2025 are complete and accurate.

**Date**

We completed our work on 7 October 2025. This is the date on which we give our opinion on the audited information and our report on the disclosure requirements.

**Basis for our opinion on the audited information and the disclosure requirements*****Statement of service provision: Our work was limited with respect to several performance measures as described below***

The Council is required to report against the performance measures set out in the Non-Financial Performance Measure Rules 2024 (the Rules) made by the Secretary for Local Government. These include mandatory performance measures relating to:

- The total number of complaints received about water supply, wastewater, and stormwater.
- The average quality of ride on the sealed local road network, measured by smooth travel exposure.
- The percentage of customer service requests relating to roads and footpaths which are responded to within a specified timeframe.

These performance measures are important as they are indicative of the quality of service provided to the community.

We identified significant issues with these performance measures as described below. As a result of these issues, our work was limited and there were no practicable audit procedures we could apply to obtain assurance over the reported results for these performance measures.

**The total number of complaints received about water supply, wastewater, and stormwater**

The Department of Internal Affairs has issued guidance to assist local authorities in applying the Rules, including how to count complaints. The Council has not been counting complaints in accordance with this guidance and the method of recording was likely to have understated the actual number of complaints received for these performance measures.

Our opinion on these performance measures was also qualified in the 2024 performance year.

**The average quality of ride on the sealed local road network, measured by smooth travel exposure**

Reported performance of this performance measure is based on surveys of road roughness and traffic volumes. The traffic volumes are based on actual counts of certain roads and the use of these counts to estimate traffic volumes on the rest of the sealed local road network.

We were unable to obtain assurance over the reliability of estimated traffic volumes used in the calculation of this performance measure. This was because the actual traffic counts used as an input to estimated traffic volumes are not sufficiently up to date, with only a small portion of the road network having counts in the last four years.

In addition, as described on page 73, Council identified certain anomalies in its estimations of traffic volumes which are yet to be resolved.

Therefore, the Council does not have sufficiently reliable data to calculate the average quality of ride on the sealed local road network measured by smooth travel exposure. The actual quality of ride on the sealed local road network may differ materially from the result reported.

**The percentage of customer service requests relating to roads and footpaths which are responded to within a seven-day timeframe**

The Council did not maintain sufficient appropriate evidence to support the time taken to respond to customer service requests relating to roads and footpaths.

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the Professional and Ethical Standards, the International Standards on Auditing (New Zealand), and New Zealand Auditing Standard 1 (Revised): *The Audit of Service Performance Information* issued by the New Zealand Auditing and Assurance Standards Board. Our responsibilities under those standards are further described in the *Responsibilities of the auditor for the audited information and the disclosure requirements* section of our report.

We have fulfilled our responsibilities in accordance with the Auditor-General's Auditing Standards.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the audited information and our report on the disclosure requirements.

**Emphasis of matters**

Without further modifying our opinion, we draw attention to the following disclosures.

***Uncertainty over the fair value of three waters assets***

Note 14 on pages 157 to 158 of the financial statements which outlines the significant uncertainties over the fair value of three waters assets as at 30 June 2024 and 30 June 2025. The fair value of these assets has been affected by increased costs of construction over the last few years. The review of procurement arrangements and changes to the region's water services delivery model could lead to future changes in construction costs, which increases the uncertainty over the estimated fair value of these assets.

***Inherent uncertainties in the measurement of greenhouse gas emissions***

The Group has chosen to include a measure of its greenhouse gas (GHG) emissions in its performance information. In considering the public interest in climate change related information, we draw attention to page 64 of the annual report, which outlines the inherent uncertainties in the reported GHG emissions. Quantifying GHG emissions is subject to inherent uncertainties because the scientific knowledge and methodologies to determine the emissions factors and processes used to calculate or estimate quantities of GHG sources are still evolving, as are GHG reporting and assurance standards.



***Future of water delivery***

Note 1, *Critical judgements in applying accounting policies* and note 31 of the financial statements outline that in response to the Government's Local Water Done Well reforms, the Council has decided to establish a multi-owned water organisation with Porirua City, Upper Hutt City, Wellington City and Greater Wellington Regional Councils to deliver water, wastewater and stormwater services from 1 July 2026. The financial impact of this decision is unknown because details of the exact arrangements are still to be considered.

**Responsibilities of the Council for the audited information and the disclosure requirements**

The Council is responsible for preparing the audited information and the disclosure requirements in accordance with the Act.

The Council is responsible for such internal control as it determines is necessary to enable it to prepare the audited information and the disclosure requirements that are free from misstatement, whether due to fraud or error.

In preparing the audited information and the disclosure requirements the Council is responsible for assessing its ability to continue as a going concern.

**Responsibilities of the auditor for the audited information and the disclosure requirements****Responsibilities for the audited information**

Our objectives are to obtain reasonable assurance about whether the audited information, as a whole, is free from material misstatement, whether due to fraud or error, and to issue a report that includes our opinion.

Reasonable assurance is a high level of assurance but is not a guarantee that an audit carried out in accordance with the Auditor General's Auditing Standards will always detect a material misstatement when it exists. Misstatements are differences or omissions of amounts or disclosures and can arise from fraud or error. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the decisions of readers taken on the basis of this audited information.

For the budget information reported in the audited information, our procedures were limited to checking that the budget information agreed to the Council's long-term plan.

We did not evaluate the security and controls over the electronic publication of the audited information.

As part of an audit in accordance with the Auditor-General's Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Also:

- We identify and assess the risks of material misstatement of the audited information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- We obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- We evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Council.
- We evaluate whether the statement of service provision includes all groups of activities that we consider are likely to be material to the readers of the annual report.
- We evaluate whether the measures selected and included in the statement of service provision for groups of activities present an appropriate and meaningful basis that will enable readers to assess the Group's actual performance. We make our evaluation by reference to generally accepted accounting practice in New Zealand.
- We conclude on the appropriateness of the use of the going concern basis of accounting by the Group.
- We evaluate the overall presentation, structure and content of the audited information, including the disclosures, and whether the audited information represents, where applicable, the underlying transactions and events in a manner that achieves fair presentation.
- We plan and perform the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the Group audited information. We are responsible for the direction, supervision and review of the audit work performed for the purposes of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Council regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

#### **Responsibilities for the disclosure requirements**

Our objective is to provide reasonable assurance about whether the Council has complied with the disclosure requirements. To assess whether the Council has met the disclosure requirements we undertake work to confirm that:

- the Council has made all of the disclosures required by Part 3 of schedule 10 to the Act and Part 2 of the Regulations; and

- the disclosures required by Part 2 of the Regulations accurately reflect information drawn from the Group's audited information and, where applicable, the Council's long-term plan and annual plans.

Our responsibilities for the audited information and for the disclosure requirements arise from the Public Audit Act 2001.

### Other information

The Council is responsible for the other information included in the annual report. The other information comprises all the information included in the annual report other than the audited information and the disclosure requirements, and our auditor's report thereon.

Our opinion on the audited information and our report on the disclosure requirements do not cover the other information, and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the audited information and our report on the disclosure requirements, our responsibility is to read the other information. In doing so, we consider whether the other information is materially inconsistent with the audited information and the disclosure requirements, or our knowledge obtained during our work, or otherwise appears to be materially misstated. If, based on our work, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### Independence

We are independent of the Group in accordance with the Auditor-General's Auditing Standards, which incorporate the independence requirements of Professional and Ethical Standard 1: *International Code of Ethics for Assurance Practitioners (including International Independence Standards)* (New Zealand) issued by the New Zealand Auditing and Assurance Standards Board.

In addition to the audit and our report on the disclosure requirements, we have performed a limited assurance engagement related to the Council's debenture trust deed, which is compatible with those independence requirements.

Other than these engagements, we have no relationship with, or interests in, the Group.



Debbie Bradfield  
Audit New Zealand  
On behalf of the Auditor-General  
Wellington, New Zealand