E whakatika ana i ngā mea matua

Getting the basics right

Mihi

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

Hāere mai ko te kei o tō waka ki te tumu herenga waka o ngā pae mounga 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 Mounga 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 Whātaitai. Ka timu ngā tai o Te Wai Mānga, ka pari 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 Whātaitai, 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
Contents

Section One

Kupu Whakataki
Introduction

Message from the Mayor

E ngā muka tangata kua rangitāmirotia nei e ngā wai tuku kiri e korowaitia ana tēnei whenua taurikura, e ngā ihoiho o ngā mounga whakahī e karapoti ana i a tātou, ngā iwi, e noho koni ahi ana i Te Awa Kairangi, tēnā tātou katoa.

Greetings to us all, the people who have been weaved together, intertwined as one by the nourishing waters that cloak this prosperous, thriving land, and by the rivers that flow down from the prominent peaks that surround us, the people of the Hutt Valley.

We live in a vibrant and diverse city, which consistently punches above its weight. It doesn't surprise me that more people than ever are wanting to put down roots and call Te Awa Kairangi Lower Hutt their home. However, as we grow, so too do the challenges we all face together.

That's why we have signed off a bold and ambitious 10-year plan, so that we can front up to the biggest challenges we face, and build strong foundations for future generations.

In order to address the challenges we're facing, we're doubling our capital investment over the next ten years to invest in the things that support all of our people and city to thrive.

When we proposed this plan to the public, you told us we were on the right track. We had the highest amount of responses to a Long Term Plan consultation in some time, with the majority of submitters agreeing with our priorities.

82 per cent of submitters on our draft ten year plan said that we need to significantly increase our three waters investment so that our drinking water is clean and our waste doesn't end up in our rivers, beaches or in some cases on our streets. We will therefore invest $587 million to fix, replace, and service our pipes over the next ten years.

When we asked you how we should tackle our transport challenges in Lower Hutt, 83 per cent of you said that it's vital that we take a proactive approach to investment. By doing so, we will invest $406 million to support the likes of the Cross Valley Connection, Eastern Bays Shared Path, and an increased investment in our micromobility programme.

And 80 per cent of submitters agreed that we should build a new $68 million Naenae Pool so that it replicates the previous facility in size and function, along with innovation and efficiency. This means the Pool will be rebuilt to a standard that our communities and the wider region can be proud of.

We won't solve the challenges we face overnight, but we can make the decisions that set us on the right track. This plan is ultimately yours, and I'm looking forward to working with you to ensure we deliver on it and build a city we are all proud of.

Just as the clouds adorn the sky, a cloak of feathers enables the bird to fly.

He ao te rangi ka ūhia, mā te kahukura te manu ka rere.

Campbell Barry
Mayor of Lower Hutt
Koromatua o
Te Awa Kairangi ki Tai

Message from the Chief Executive

He tātai muka, he tātai tangata - Tuia i runga, tuia i raro, tuia i roto, tuia i waho, tuia te here tangata, ka rongo te pō, ka rongo te ao. Tuia te muka tangata i takea mai i ngā Hawaiki, whiria te taura e here nei i te tangata ki hēnei whenua - te ūkaipō, te ūkaiao o tātou katoa - ki Te Awa Kairangi e tū nei.

Weave together the strands, weave together the people - fasten above, bind below, unite from within, unify the outer, bring together the people. Unite the many people and cultures that descend from far off lands and are now bound to this place that sustains us.

Tēnā koutou, I'm delighted to present you with this plan which sets out the priorities and direction for delivering on key investment areas over the next ten years.

An ambitious capital investment programme is set out in this plan. Our efforts will be focused on three waters, transport including cycleways, rebuilding Naenae Pool, restoring Petone wharf and projects like RiverLink that will improve our city's resilience. These large scale projects, as well as bringing significant economic benefits to our city, also provide us with a new opportunity to procure services in a different way where local jobs and apprenticeships are created, people are paid a living wage and the environment is at the forefront of decisions.

At the same time as achieving the priorities set out here, we want to do more so that neighbourhoods and communities can shape their futures.

In order to deliver on our plans we must achieve a balanced budget, and to do this we need to ensure that everyday costs are paid for from everyday income.

We have established a strong platform to invest in the infrastructure our city needs. The work we've done to review and reset our revenue and financing, development contributions and rates policies as reflected in this plan also signal a new direction as we seek to rebalance the share of rates paid by residential ratepayers and to reset how growth related infrastructure, like water supply and wastewater systems, is funded.

This plan outlines the start of a new era for our organisation setting us on the pathway to being a place where all of our people can thrive.

As we weave together new strands into our rope, we lengthen and strengthen the essence within.

Kia kōmiroa, kia whiria ngā weu kia ū, kia roa, kia pītongatonga ai te taura.

Jo Miller
Chief Executive
Tumu Whakarae

Partnership with Mana Whenua

First and foremost is our relationship with Mana Whenua, who have historic and territorial rights in Te Awa Kairangi Lower Hutt. The tribe's history and legends are based in the lands they have occupied over generations, and the land provides sustenance for the people and enables hospitality for guests.

Mana Whenua interests are represented by five iwi (tribal) organisations and two Mana Whenua marae in Te Awa Kairangi Lower Hutt – Te Tatau o Te Pō and Waiwhetū Marae.

Council is developing new memoranda of understanding with the five iwi organisations representing Mana Whenua and iwi Māori in Te Awa Kairangi Lower Hutt.

These take a covenant approach, reflect iwi plans and align with Council and iwi aspirations. Council is also partnering with Te Āti Awa-backed housing provider Kahungunu Whānau Services for the benefit of Mana Whenua and all people in our city.

The name of the partnership gifted by Te Āti Awa

He Herenga Kura, He Herenga Tangata,
He Herenga Whenua (a sacred connection that unites the people and binds us to the land)

sets the foundation for a sustainable and effective strategic partnership, allowing us to adopt new pathways and practices to enable us to build healthy, thriving, secure and affordable homes across Te Awa Kairangi Lower Hutt.

Welcome to our 10-year plan 2021 - 2031

Introduction

Every three years, Hutt City Council prepares a 10-year plan that sets out the initiatives and services we plan to fund in the 10 year period ahead. We adopted our last 10-year plan in 2018, and this year it's time for us to adopt a new one.

Over the past 10 years Hutt City Council has focused on rejuvenating our city, and we have delivered a number of high-quality facilities to fulfil that aim, including the refurbished Walter Nash Centre, RICOH Sports Centre, Naenae Bowling Club and Huia Pool. These facilities are much loved by the community, and help to make our city an attractive place to live. Our Walk and Cycle the Hutt strategy has also meant that we have invested significantly in promoting active transport. We've completed the Wainuiomata Hill Shared Pathway, as well as a number of other cycleways across the city – and succeeded in gaining central government funding support to expand our activities. During this time, Council maintained an AA credit rating from international credit rating agency Standard & Poor's. This was re-confirmed in 2020, and reflects our strong financial management and an ongoing commitment to invest prudently. Our stable financial position provides us with a good platform from which to invest in the infrastructure our city needs.

Our vision for Lower Hutt

A city where everyone thrives

We want Lower Hutt to be a city where everyone thrives. We are committed to a pathway of partnership, collaboration and support with and for our people and to improved wellbeing for all. We recognise the distinct and diverse communities that make up Lower Hutt, and we're committed to supporting our communities to address the challenges and make the most of the opportunities that arise for them. We aim to secure the foundations of our city creating a city that its residents enjoy and that attracts innovators and new business and employment opportunities. To achieve this vision we must address the significant challenges we face head on.

One of the biggest challenges Te Awa Kairangi Lower Hutt faces is the pressure that a growing population and climate change is putting on our ageing infrastructure and assets.

The key focus of the 10-year plan is getting the basics right. To do that, Council is doubling its investment in capital projects to $1.5B over the next decade. Two thirds of this will be spent on core infrastructure – investing $587M on our three waters network and $406M on transport projects. We will also accelerate efforts to tackle the housing crisis and take steps to eliminate carbon emissions as part of the capital projects Council is planning as well as across all Council facilities. Resilient infrastructure assets are crucial to both support the city's growth and in response to the impacts of climate change and sea level rise.

The 10-year plan strikes a balance between planned rates increases and includes funding to progress key projects and avoid significant service reductions.

With financial sustainability and affordability front of mind, Council has confirmed an overall 5.9 per cent increase in rates revenue for 2021/22 – this equates on average to $2.51[1] per week per residential household. The new waste and recycling services are funded from a specific targeted rate charged to residential ratepayers receiving the service. This cost to those using the service will be offset for these home owners as they will no longer need to purchase rubbish bags or pay for a private rubbish collection service.

Given the importance of the decisions that needed to be made, considerable effort went into raising awareness of and increasing engagement during the draft 10-year plan process. For the first time Council undertook early engagement with the community, which enabled Council to check in with our communities to ask them if we were heading in the right direction with the focus on getting the basics right and the six key priorities. A series of hui with Iwi Mana Whenua were held during 2020 in the spirit of our partnership.

During the consultation and engagement period on our draft 10-year plan we focused on working alongside our communities to offer them opportunities to provide feedback in their preferred settings and through their preferred channels at their pace.

1 These projected rates revenue increases exclude the impact of service changes introduced in 2021/22 for waste services (rubbish, recycling and green waste).

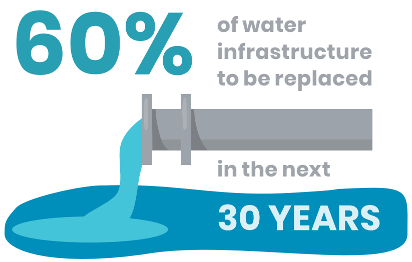
Challenges we're facing

In October 2019, a new mayor and councillor team was elected. They have prioritised getting our basic infrastructure right; particularly renewing and replacing our ageing three waters infrastructure and adding key transport connections, with an emphasis on continuing to improve our active transport connections to ensure our network meets the needs of all users. This direction has strongly informed this 10-year plan.

Like other major cities, we are facing a number of big challenges that we must begin to address. These include accommodating a fast-growing population, responding to global issues such as climate change and the serious implications of this for us locally, as well as maintaining and strengthening basic services to our community.

It is the right time to increase investment in our basic infrastructure – supporting the economy and the health and wellbeing of residents and protecting and enhancing our environment. We have identified a number of specific challenges that we must respond to if we are to create a city where everyone thrives.

Demand and pressure on infrastructure



A considerable period of underinvestment in our basic infrastructure, particularly three waters, combined with our growing population, climate change and the need for additional housing supply, means that we need a major programme of infrastructure investment to service existing and future residents.

Sixty per cent of our water infrastructure needs to be replaced over the next three decades, and we need better transport connections, including active transport networks, to ensure our city is easy to move around and environmentally sustainable.

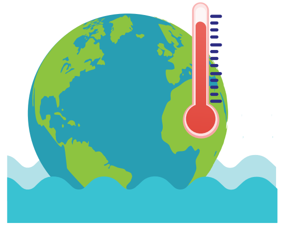
Housing supply and affordability

Increasing housing supply and improving housing quality are major challenges. The effect of the housing crisis on people and whānau in Te Awa Kairangi Lower Hutt continues to escalate.

Over the past four years, the lack of supply and increasing demand has driven house price and rent increases and led to homelessness and housing hardship. We are seeing growing numbers of individuals and families in emergency and temporary accommodation, living in insecure housing situations with whānau and friends, or rough sleeping, and the number of households on the Social Housing Register increased by over 1,000 per cent – from 53 households to 611 – between 2015 and 2020.

The crisis is having a significant effect on health and wellbeing. Providing safe, warm and affordable homes is essential if we want whānau and Te Awa Kairangi Lower Hutt as a whole to thrive.

Climate change and sustainability

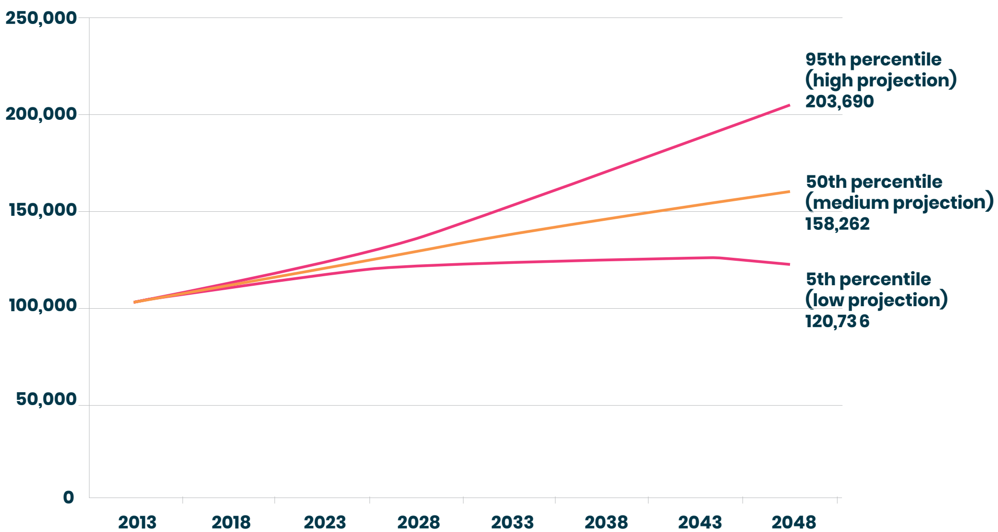


Te Awa Kairangi Lower Hutt faces numerous environmental challenges, including sea level rise, coastal erosion and flooding, loss of biodiversity, decreasing water quality and waste issues.
Higher temperatures and an increase in the severity and frequency of rainfall and flooding will affect key services including transport and infrastructure, the functioning of the city and the wellbeing of our people. Given our geography and topography, sea level rise and flooding from rainfall events are particularly serious for our city, and the potential effects for individuals and communities in relation to housing and living environments, business costs and threats to our infrastructure and assets are significant.

Council's Climate Change Emergency Declaration recognises the seriousness of Te Awa Kairangi Lower Hutt's situation and formalises our commitment to enhance our environment and achieve our climate change goals. It underpins all the work we are proposing to ensure the wellbeing and success of our city. We are currently working to reduce our own carbon emissions to net zero by 2050, to engage with communities on climate change, and ensuring that our infrastructure investment and housing developments take account of climate change impacts.

Climate change also threatens our ability to continue to produce our own food. We will work with our communities to address existing food insecurity in our communities and build a more resilient and equitable food system for the future.

Forecast population growth for Te Awa Kairangi Lower Hutt



COVID-19

After initially showing signs of recovery last year, the Lower Hutt City economy has taken an unexpected turn with a 0.6 per cent fall in electronic card spending in the March 2021 year contributing to a 1.1 per cent fall in the city's GDP over the same period. Traffic flows fell 7.0 per cent in the March 2021 year, which indicates that subdued spending is being caused by falls in foot traffic. Consumers have reasons to be mildly optimistic, with employment in the city growing 0.4 per cent in the March year, an unemployment rate of 4.2 per cent (below the national average of 4.7 per cent), and house values rising 24 per cent pa in the March 2021 quarter. Tourism is only a small part of the Lower Hutt economy, but a 6 per cent fall in tourism spending in the March 2021 year will be hurting retailers and local businesses and contributing to job losses in the hospitality industry.

Residential consents are a bright spot, particularly for local builders, growing 19 per cent in the March 2021 year. This growth was on the back of a particularly strong December 2020 quarter when the Summerset apartments and an unusually high number of townhouses were consented.

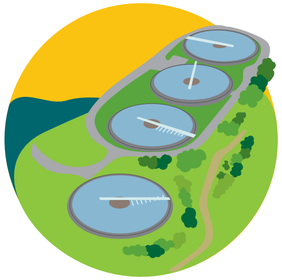
The slew of residential consents will hopefully help keep a lid on house price inflation by increasing the supply of housing. House price inflation in Lower Hutt City accelerated to 24 per cent pa in the March 2021 quarter, matching growth in the Wellington Region but well ahead of the 18 per cent national average. At $856,569, the average house value in Lower Hutt is now 88 per cent of the Wellington City average and housing affordability in the city has been gradually worsening since September 2019. Non-residential consents grew 1.4 per cent following a particularly strong March 2021 quarter, when $53M was consented for education buildings and $25M for health buildings.[1]

1 NZIER Lower Hutt Quarterly Covid-19 Report, March 2021

Achieving our programme in a financially sustainable way

The challenges we face, particularly in relation to the condition of our three waters infrastructure and transport system, require considerable financial investment over the next 10 years and the longer term. Council is acutely aware of the financial pressures on residents and businesses in the city, and particularly the impact of higher housing costs on some households, and the effects of COVID-19. In developing our plan we have very carefully considered affordability. Our financial strategy uses a combination of rates and borrowing to ensure that we are achieving a balanced approach to paying for services and developments, and sharing the costs in a way that is fair and equitable to both current and future residents and businesses in the city.

Key priorities for the next ten years



Whakangao i ngā poupou 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.

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.

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.

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 Lower Hutt to make our city an attractive place to work and invest.

Tūhono Hapori
Connecting communities

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

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.

Whanake i ngā Pou Tarāwaho o te Hapori

Investing in infrastructure

Te Awa Kairangi Lower Hutt is a growing city – our population is increasing at one of the fastest rates in our history.

We need to ensure we get the basics right and deliver the core infrastructure that will enable all of the people in our city to thrive.

With significant population growth comes some growing pains that we need to address. A larger population puts pressure on our three waters and transport infrastructure, and we know some of our infrastructure is reaching the end of its life. As the city continues to grow, we also need to consider investing in maintaining and creating high-quality community infrastructure, including our pools and our libraries. Key facilities that require significant investment to remain useable for communities across the city and region are Naenae Pool and Petone Wharf.

By investing to upgrade and build new infrastructure, we are building a strong foundation for sustainable growth and helping to meet our aims of protecting and enhancing our environment. We consider it prudent to invest now, to avoid large costs in the future or seeing our infrastructure fail to meet the demands of the population.

In our 10-year plan we are investing:

$587 million

in our three water infrastructure

$406 million

in our transport infrastructure

up to $68 million

to rebuild Naenae Pool

$21 million

on Petone Wharf

Infrastructure strategy
2021–2051

Our Infrastructure Strategy 2021–2051 outlines our long-term approach to ensuring we have good three waters and transport infrastructure on which to build a sustainable future. The strategy goes beyond the scope of our asset management plans and sets out our vision and goals for infrastructure and an approach for managing infrastructure decisions.

The strategy outlines significant issues and opportunities and how these will be managed.

Goals

The infrastructure strategy has two goals:

1. strong, reliable, efficient and effective three waters and multi-modal infrastructure networks
2. the provision of current and new infrastructure in a sustainable way, focusing on guardianship of our environment and communities.

Scope

At this point, the strategy focuses on the mandatory infrastructure categories in the Local Government Act 2002:

- water supply
- wastewater (sewage treatment and disposal)
- stormwater drainage and flood protection (at a local level)
- roads and footpaths.

Identified issues and summary of response

Council and its partners have identified four major challenges affecting Te Awa Kairangi Lower Hutt's infrastructure.
The city's ageing infrastructure, combined with the impacts of climate change and natural hazards, are significant issues. Council needs to prioritise investment in infrastructure to increase resilience, maintain public health and protect the environment.

The population served by Council is growing and changing, and this will continue to impact on demand and service delivery. Technology is evolving rapidly, and may provide new solutions. While some technological changes can be anticipated, others – particularly those that take place over longer timeframes – are more difficult to predict. Renewal and replacement programmes need to be flexible, to take possible future scenarios and solutions into account.

Identified issues and summary of response

Issue	Response Summary
Ageing infrastructure and investment in renewals	1. Increase our investment in understanding our ageing infrastructure assets. 2. Invest in a maintenance programme that supports the reliability, efficiency and effectiveness of the infrastructure networks. 3. Enable a structured programme of planned investment in the renewal of ageing assets.
The effects of climate change and natural hazards	1. Identify and strengthen at-risk infrastructure. 2. Maintain a robust emergency preparedness system. 3. Maintain, and where required, invest in providing back up infrastructure. 4. Invest in protective infrastructure. 5. Ensure the regulation and monitoring system is robust and efficient.
Growth and demand variations	1. Promote alternative transportation modes. 2. Explore and use methods to manage demand in transport and three waters. 3. Enhance accessibility options for the ageing population. 4. Focus on adapting and developing infrastructure for, and in, high demand areas.
Technological advancements	1. Develop modelling and monitoring tools, and systems. 2. Maintain flexibility in the investment programme to take advantage of technological developments and ensure that we use the most effective and efficient materials and techniques to improve the city's infrastructure.

Ngā Pou Tarāwaho o Ngā Wai e Toru

Three Waters Infrastructure

Overview

We are facing significant challenges with our three waters assets which require investment in the short and medium term. The major challenges are the condition and age of the water network – and the fact that much of the infrastructure is reaching or will soon reach the end of its life. Sixty per cent of the water network needs to be renewed over the next thirty years – at a cost of $2.1B.

Population growth – an expected 10 to 20 per cent in the next ten years – will put additional pressure on our infrastructure as we prepare for the housing supply and development needed to accommodate this growth.

Three waters reform

We have considered a number of options, and their related financial impacts, to address the issues. We were concerned with the affordability of the work required as a result of Wellington Water's initial advice.

The company's subsequent advice provided a revised option which accounted for initial three waters reform funding from central government. This government funding will go some way to offset the proposed increased investment in three waters infrastructure over the next few years. We have not assumed any further central government funding in our plan other than what we already have agreements in place for.

The comprehensive water reform process is in its early stages, and there is still uncertainty around its likely impact on Council, such as the transfer of assets, but we will factor the reforms into our decisions on three waters in the future. Until these impacts become more certain the Council will continue to operate under the assumption that it is the provider of these services for the foreseeable future.

What we proposed

We proposed significant investment of $582M over the 10-year period of this plan to allow us to tackle some of the challenges we have with our three waters network. This investment will ensure we are able to deliver high-quality, fit-for-purpose infrastructure and ultimately:

- reduce the risk of asset failure and service disruption
- improve the health of our urban waterways and support reduction in carbon emissions
- support a reduction in water consumption, which will extend the life of some infrastructure
- provide infrastructure required for future growth and relieve stress on existing assets.

You Said

You responded with significant support for an increased investment in three waters infrastructure. We heard your concern about the current infrastructure not being durable enough to support the projected population increase and the desire to ensure that resilience and future-proofing was a priority when undertaking the work required. While some of you were apprehensive at the thought of water meters, others considered that they are an important tool that we should use to identify leakages and reduce water consumption.

* Go to page 24 for full consultation results.

1 This cost of investment includes an adjustment for inflation over 30 years.

What was decided

Council has confirmed a significant investment in three waters infrastructure of $587M over the 10-year period of this plan. This investment is needed to avoid asset failures and disruption of services to customers, improve environmental outcomes and plan for growth. Investment in the three waters of $587M capital expenditure (capex) includes:

- increased funding of $331M for asset renewals
- sustainable water supply, capex funding of $36M and operational expenditure (opex) funding of $11M
- healthy urban waterways, capex $29M and $8M opex,
- reducing carbon emissions, capex $53M and $3M opex.

The investment in three waters has resulted in increases in the targeted rates for wastewater and water supply in future years. Performance targets for some of the three waters' performance measures have been amended to ensure these measures are realistic and reflect the current level of service being provided.

Ngā Waka

Transport

Overview

Our city needs a transport system that enables our communities to be connected and our businesses to be efficient and that is, above all, safe for our people. As our city population grows, congestion on our road networks is growing too. Transformative projects like the Eastern Bays Shared Path, the Beltway Cycleway and Cross Valley Transport Connections will deliver on the outcomes sought.

What we proposed

In order to stabilise growth pressures on our transport network and meet the needs of all of our road users, we proposed a total transport investment package of $353M. This investment will:

- encourage our people to get out of cars and walk, cycle or use other micromobility modes of transport
- improve connectivity and unlock significant social, environmental, economic and recreational benefits
- start to ease access in and out of our city and ease pressure on current access points like Petone Esplanade.

You Said

The majority of you agree that change is needed to fix current traffic issues in Te Awa Kairangi Lower Hutt and support investment in enabling more pedestrians and public transport in the future.

* Go to page 24 for full consultation results.

What was decided

Council has confirmed its proposal to invest $406M in Transport infrastructure over the 10-year period of this plan. The investment consists mainly of increased investment in footpath renewals, resurfacing and rehabilitation of our roads and cycleways, safety driven improvements to intersections and routes, cycling and micromobility improvements and investment in Cross Valley Transport Connections.

Capital investment of $406M over ten years transport infrastructure includes:

- investment in transformative projects like Cross Valley Transport Connections $199M over ten years, Eastern Bays Shared Path $30M, Cycling and Micromobility $67M
- road resurfacing: increased 25 per cent investment of $15M (from $76M to $91M)
- traffic safety: increased investment of $6.2M to a total of $11M
- footpath renewals: increased investment of $2.3M to a total of $4.7M over ten years.

Te Puna Wai o Te Ngaengae

Naenae Pool

Overview

The closure of Naenae Pool in April 2019 had a big impact on the local community and the aquatic sports community locally and regionally. The community lost a place where local tamariki and rangatahi could gather and recreate together and with their whānau. Learn-to-swim classes, water safety education, and aquatic sports programmes were no longer able to operate in the community. Many businesses lost regular customers and were forced to close or reduce services.

Council made a decision to rebuild the pool and develop a spatial plan to reinvigorate Naenae subject to funding being agreed in the 10-year plan. In 2020, Council applied to central government for funding for the Naenae Pool rebuild and will receive $27M from the COVID-19 Response and Recovery Fund.

What we proposed

In order to invigorate Naenae and support the local and wider community, we proposed a rebuild of Naenae Pool as a modern and sustainable facility that provides a similar service level to the existing pool at a cost of up to $68M. $27M of this will be co-funded by central government from the COVID-19 Response and Recovery Fund.

You Said

You responded with significant support (80 per cent) for the rebuild of a new, modern fit for purpose and sustainable facility which has a similar level of facility and services as the existing pool. Some of you urged Council to be bolder and consider investing in a "state of the art" aquatic centre that could cater for local, regional and national sporting events.

* Go to page 26 for full consultation results.

What was decided

Council has confirmed the Naenae pool and fitness centre project at a cost of up to $68M. This investment includes:

- two pools (the main 50 metre pool and a children's pool)
- introduction of new technology which would reduce operational costs (eg reduced energy consumption) and the pool's impact on the environment
- improvement to some areas of the pool that were considered sub-standard, including changing rooms and accessibility
- a fitness suite
- a "zoom" tube returned.

Te Wāpu o Pito-one

Petone Wharf

Overview

Petone Wharf is a key community asset with high heritage and recreational values. Following the completion of a dive survey, Petone Wharf was closed to public access on 18 January 2021. Two moderate earthquakes on 31 December 2020 and 2 January 2021 contributed to a number of piles failing, causing severe slumping in the wharf deck and making it unsafe for public use. Despite regular maintenance and repair work over the years, the condition of the wharf has deteriorated. The wharf will most likely be closed until refurbishment is completed.

What we proposed

We proposed accelerating the major refurbishment of Petone Wharf, including the demolition of part of the outer concrete head, by bringing planned investment forward from 2032 to 2021-24. Bringing forward the refurbishment of the wharf and demolition of part of the head will reduce the risk of structural failure and, over the long term, reduce maintenance requirements. A longer closure period in the short term will also reduce overall closure time in the medium and long term.

You Said

Support was divided with 48 per cent agreeing with the proposed approach and 52 per cent preferring leaving the budget for full refurbishment of the wharf in 2032. Some of you felt that full refurbishment would enable Petone Wharf to play a role in increasing food resilience and provide a transport option to reduce congestion while others saw sea level rise as a reason to not invest the wharf.

Fundamental support for full refurbishment of the wharf remains strong in the community. However, people who are particularly concerned about reducing the rates increase support waiting until 2032.

* Go to page 25 for full consultation results.

What was decided

Following the wharf closure to the public due to safety concerns, urgent maintenance works were immediately undertaken and a further, more detailed engineer assessment, commissioned. This assessment was undertaken in April 2021, during the 10-year plan engagement.

Council received the detailed engineering report and quantitative risk analysis in May 2021. The assessment found that the wharfs condition and extent of the damage / deterioration is significant. It noted primary modes of damage to timber piles included:

- The structural weakening and failure of piles resulting from Teredo worm infestation
- Earthquakes advancing failure in already weakened piles.

It revealed an estimated cost of up to $21M to complete the proposed refurbishment works and demolition of part of the head of the wharf.

Council has decided to proceed with the Petone wharf refurbishment works over the next three years and update the budget to reflect the latest estimate of up to $21M.

Hei Āhuru Mōwai mō te Katoa

Increasing our housing supply

Overview

Increasing our city's housing supply and improving housing quality are major challenges. Te Awa Kairangi Lower Hutt faces a lack of adequate housing supply, which is causing major affordability problems for renters and buyers, and leading to an increase in homelessness and housing hardship. To alleviate this stress we have already made changes to our District Plan (Plan Change 43) to enable a greater supply and range of housing types and densities across a number of urban areas of our city.

Our partnership with Te Rūnanganui o Te Āti Awa and Kahungunu Whānau Services is underway and the current review of our District Plan has a focus on providing capacity to deliver the housing supply we need.

Urban Plus Limited (UPL)

Council's broader expectations of UPL will see them deliver a far wider range of housing outcomes including pathways to housing permanency such as shared equity, rent-to-buy, reduced deposit schemes, and other means of assisting households into home ownership. UPL will also take a leadership role in delivering medium-density housing according to the objectives and outcomes envisaged by District Plan Change 43 (where Plan Change 43 applies to a development site).

UPL will also respond to Council's commitment to meeting its carbon zero objectives by incorporating features into its dwelling design and development site layouts. These will lower carbon emissions and incorporate environmental design considerations into future projects to align these with the HomeStar rating assessment, to achieve no less than six stars in future housing developments.

Achieving Council's increased housing aims requires UPL to have access to additional loan funding facilities of approximately $21M over the next few years, in addition to the existing facilities of $22M. As development activity picks up a peak of $43M in loan funding facilities is expected in 2023. Following this peak, profit margins on several developments are expected to be realised. This will positively impact UPL's cash position, allowing borrowings to be significantly reduced.

UPL does not make use of ratepayer funding for its operations.

You Said

Many of you supported new housing being built close to public transport and ensuring that people had access to safe, affordable housing while avoiding greenfield spread (which would mean more cars and make transportation difficult and expensive for homeowners). There was some support for assisting first home buyers. Those opposed to further densification were concerned about the quality of the homes being built in established areas, the increased pressure on existing infrastructure at a time when this is struggling to support existing residents and the impact on the environment of more houses and people.

What was decided

Council agreed to the changes to UPL's statement of intent needed to enable UPL to support different pathways to assisting households into home ownership by:

- increasing their access to additional loan funding facilities of approximately $21M over the next few years in addition to the existing $22M.

Tiaki Taiao

Caring for and protecting our environment

Overview

We must do better to look after our natural environment and to reduce our carbon footprint. We want to make our city more resilient to natural hazards and climate change risks such as sea level rise, flooding and earthquakes. Our investment in three waters and transport infrastructure is crucial in terms of creating a city that is more sustainable and resilient to the impacts of climate change. Ensuring our transport system provides connections between neighbourhoods, jobs, and services, with an emphasis on active modes for shorter trips where possible, will contribute to reducing our carbon footprint.

Climate change is a priority for us all. We will support local action to move towards zero carbon by 2050 and from July 2021 we are implementing a new city-wide kerbside rubbish and recycling service. We will also work to protect and enhance our biodiversity and ecology, and support our city's landowners to manage indigenous habitats on their land.

The impacts of climate change on our city

Many residents and businesses are located near the coast and/or low-lying areas, and are subject to the potential adverse effects of climate change, such as increased flooding.

Our work, in collaboration with other councils in our region, has highlighted the risks associated with sea level rise, coastal inundation and erosion hazards of different coastal areas within the Wellington region. For further information please see the 'Preparing Coastal Communities for Climate Change report at: hutt.city/coastal-assessment

In addition to this work, research by Local Government New Zealand in 2018/19 quantified the (then) current quantity and value of infrastructure exposed to sea level rise at four increments; 0.5, 1.0, 1.5 and 3.0 metres and then quantifies replacement value www.huttcity/LGNZ-sealevelreport. The scope of this research project primarily included roads, three waters infrastructure and buildings. Data was also collected on other types of infrastructure, including greenspace, jetties and airports. While the report did not provide council by council analysis, the replacement cost in the Wellington region was assessed at around $3 billion.

While detailed analysis of the impacts of climate change and communities at risk at a local level is ongoing via the Greater Wellington Regional Council, National Institute of Water and Atmospheric Research and other bodies, planning for climate change impacts is essential to ensure we have a resilient city. We understand that climate change is not only an environmental issue, it's an economic and social issue and may have far-reaching implications for our communities.

Tiaki Taiao

Caring for and protecting our environment

How we're responding to climate change

In June 2019 we declared a climate emergency, reflecting the need to raise awareness about climate change and to prioritise reducing council and city-wide emissions to net zero carbon. We've started work on an integrated transport strategy for our city.

Once completed, this strategy will set out a vision and roadmap for the future of Te Awa Kairangi Lower Hutt's transport network. Gaining greater integration between all parts of the city's transport – from roads, through to public transport, and active transport options – will contribute to reducing the city's transport emissions which currently make up 56 per cent these emissions. To contribute, Council has increased the number of Electric Vehicles (EVs) in our vehicle fleet and reduced the number of vehicles we run overall. We're installing EV charging stations across our city and ensuring that any new builds that are in the planning stages, for example Naenae Pool, use sustainable energy.

We adopted an Energy and Carbon Reduction Plan 2020 -2024 in March 2020 that sets targets for improving energy efficiency and reducing carbon emissions. The implementation of this Plan is already realising financial and energy savings.

Addressing climate change impacts and increasing the resilience of our city and coastline are key considerations of large scale infrastructure projects like Te Ara Tupua, the Eastern Bays Shared Path and RiverLink.

Our central and local government partners are also leading work to increase the resilience of our assets. Wellington Water's work on the renewal of the Petone Collecting Sewer (which runs along the Esplanade on the seaward side) is critical to protecting a vital part of our wastewater infrastructure in an area that is at risk of sea level rise.

Engagement and collaboration is at the centre of developing our responses to climate change. At the end of 2020 we established a lead group made up of community and business representatives and Mana Whenua to help with engagement on climate change. The lead group will work with our community as we jointly develop a road map for the city of how to move to zero by 2050, and how we can collectively respond to the likely climate change impacts.

The road map will provide a co-ordinated view of the different community actions being undertaken to address climate change. Planned community engagement in the coming months will assist in helping our city's transition to a zero-carbon emissions economy by 2050.

We have established a Climate Change and Sustainability Committee to oversee Council's overall environment and climate change response including:

- implementation of strategies to achieve carbon zero
- decarbonisation of our assets
- developing and implementing environmental policies, and
- overseeing the city's new residential rubbish and recycling service, which will be in place from 1 July 2021.

All reporting to the Mayor and Councillors must include a climate change impact statement.

Tiaki Taiao

Caring for and protecting our environment

What we are doing

As part of our 10-year Plan we are investing in a range of initiatives to support our work to achieve carbon zero by 2050, by making our operations more sustainable and climate friendly. Our $587M investment in our three waters and $406M in transport infrastructure will make a considerable contribution to our response to climate change impacts.

The increase in extreme storm events and related flooding makes addressing the ability of our water assets to respond and not fail critical. The investment in our three waters infrastructure is crucial in terms of creating a city that is more sustainable and resilient to the impacts of climate change.

Reducing our carbon emissions is critical and we want people to be able to walk, cycle and use micromobility modes of transport such as electric scooters, electric bikes or skateboards to get around our city as easily as vehicle users do. Our focus is on developing local connections that link core routes with key employment, education and transport hubs to encourage greater use of active modes. Ensuring our transport system provides connections between neighbourhoods, jobs and services, with an emphasis on active modes for shorter trips where possible, will contribute to reducing our carbon footprint.

The Naenae Pool facility includes the introduction of new technology which should reduce energy consumption and therefore energy costs and the pool's impact on the environment, contributing to Council's zero carbon target.

We have brought forward $1.2M capital investment from 2022/23 to 2021/22 to invest in our plans to develop Silverstream landfill (to increase the safety of and better manage waste disposal, reducing the amount of waste going in to the landfill to increase its longevity, and to develop the ability to manage asbestos).

We are continuing to provide assistance for private landowners to identify, manage and protect significant biodiversity.

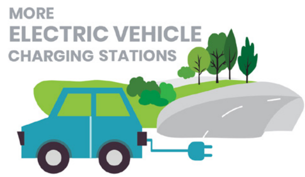
Solid waste disposal and resource recovery

We are already maximising the destruction of methane via a power plant and a supplementary flare at Silverstream landfill.

We now want to consider ways to reduce the amount of waste going into the landfill in the first place. This includes considering opportunities for recovering construction and demolition waste, and increased diversion of green and food waste.

We're also planning to invest in the ongoing development of Silverstream landfill (landfill lining, leachate capture and reticulation, gas capture and treatment) with changes to timing, in order to maintain a safe place for disposing of waste.

Our plans also include developing new capacity at Silverstream Landfill in order to retain the ability to accept and manage asbestos ($4.5M). Further investment of $2.3M aims to improve safety and increase operational efficiency at the Siverstream refuse transfer station by changing vehicle flow and site layout. Improving the transfer station also enables the establishment of a new resource recovery area ($0.77M) so that people can drop-off reusable and recyclable items at no charge.



Public electric vehicle charging stations

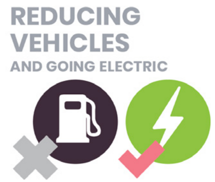
Council proposes to roll out new public electric vehicle charging stations at 10 locations around our city to help accelerate the uptake of electric vehicles in our community.

New commercial builds

We're looking at using the New Zealand Green Building Council's GreenStar Building Rating tool for new commercial building projects including the Naenae Pool rebuild, to ensure such new builds meet our sustainability objectives.

New infrastructure

We're looking at using the Infrastructure Sustainability Rating tool for Riverlink and other significant infrastructure projects, to ensure the infrastructure meets our sustainability objectives.



Council vehicles

Council is electrifying its vehicle fleet. As a result of improved efficiencies, we have already reduced the number of Council's fleet vehicles from 84 to 72, and we operate 14 EVs, which represents an EV share of 19 per cent. We aim for a further increase in our EV share.

Reducing carbon emissions at Council facilities

We are investing $7M in decarbonising all our Council buildings and facilities, by changing from natural gas heating to lower-carbon options, by 2030.

Reinvesting in low carbon opportunities

Utilising the funds from carbon credits that Council will earn on its forests in the future could help move us to zero carbon more quickly and improve biodiversity.

Taunaki Ōhanga Auaha, Tāone Whakapoapoa

Supporting an innovative, agile economy and attractive city

RiverLink Overview

An attractive city with an innovative and agile economy will attract the businesses and talent needed to help our city and people thrive. The RiverLink project is a big part of the transformation needed to create a more resilient, connected and vibrant city, and exploit the advantages of Te Awa Kairangi as a focal point for the city centre. Delivering RiverLink will enable greater economic growth and development, more housing and will revitalise and renew our central business district.

RiverLink has been widely supported from its early conception as part of Making Places in 2010. Over time the community has been asked to provide feedback on various aspects of the project from design to the preferred option for flood prevention. Support has continued through a number of engagements through the community agreeing a preferred flood protection approach and the three partners to RiverLink – Council, Greater Wellington Regional Council and Waka Kotahi – forming a joint Project Office to deliver the project.

Since then, more work has gone into understanding the costs and benefits of the project. Council and ratepayers have already invested considerable time and resources in progressing this game changing project for the city and its many communities.

What we proposed

Council proposed a $121.5M investment in RiverLink in the 10-year plan. This investment will enable delivery of key components of the RiverLink project which include a pedestrian cycle bridge, enabling direct, quick access between the central city and the replacement Melling station, a Riverbank Park, promenade and streetscape improvements to improve the look and feel of the central city and integrate with the Riverbank Park. It also includes improvements to the traffic intersections in the vicinity of the project.

You Said

57 per cent of you support ongoing investment in and delivery of RiverLink. Those stating a lower level of support for RiverLink were focused on reducing the rates increase, rather than being fundamentally opposed to the project. You are largely in favour of improved connectivity and the public and active transport/micromobility options the project will deliver. In this context, the Melling Interchange is particularly mentioned as a desirable and positive investment. Of paramount concern is flood protection and resilience which is to be delivered by Greater Wellington Regional Council.

What was decided

Council has decided to proceed with the investment in RiverLink. Its transformational potential for the city and our people are too great not to continue to work towards delivering this game changing project and help to create a more resilient, connected and vibrant city that exploits the advantages of Te Awa Kairangi as a focal point for the city centre.

Updated projected cost and revenue estimates were presented to Council in May 2021 and showed in updated project cost of $138M and revenue of $43M, with a net cost of $95M (similar to the net costs included in the draft plan consulted on). The Council agreed to update the 10-year plan to reflect this information for the project.

Whakauka Ahumoni

Financial sustainability

Financial overview

We're facing some big financial challenges as we re-focus our work on getting the basics right. When making decisions about our 10-year plan and budget, we need to balance the need for services against the ability of our community to pay rates.

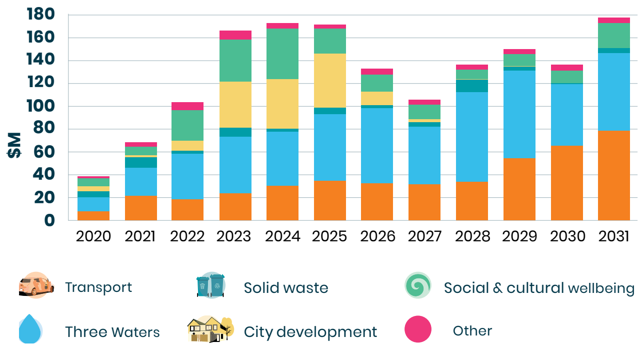
Good financial management and long-term sustainability underpin our plans. We're focused on carefully managing our city's finances to ensure we're able to fund infrastructure and services for our community now and in the future. As a growing city, there is a need for additional infrastructure, and we need to ensure that the associated costs are spread equitably.

We have reviewed our Financial Strategy as part of developing our plans for the future. The strategy is based on a number of important principles which provide the foundation for prudent sustainable financial management:

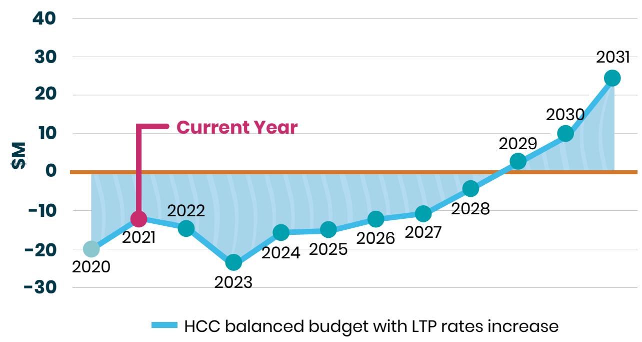
- afordability of rates
- achieving intergenerational equity by spreading the costs between both present and future ratepayers
- maintaining prudent borrowing levels
- achieving a balanced budget and ensuring that everyday costs are paid for from everyday income
- delivering services effectively and efficiently
- strengthening Council's financial position.

The Financial Strategy focuses on strong fiscal management while addressing growing demands for increased capital expenditure in core infrastructure assets (refer section 4 for further details).

Total capital expenditure by year and Council activity



Projected Council balanced budget position[2]



A balanced budget – everyday costs are paid for from everyday income

A guiding principle of the Financial Strategy is the importance of a balanced budget. This means that projected operating revenue over the lifetime of the 10-year plan is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access; that is, 'everyday costs are paid for from everyday income'.

We have considered the level of rates revenue in light of the need to manage our finances in a prudent and sustainable manner in line with the Financial Strategy principles, while also factoring in rates affordability and the economic environment and uncertainty as a result of the COVID-19 pandemic. We also need to prioritise getting the basics right and ensure we are only spending where necessary.

Rates revenue is Council's main source of income, and there are few other options available to offset cost pressures. As part of the Annual Plan 2020/21 emergency budget, the Council took a number of decisions that led to savings of $3M; these savings have an ongoing effect and reduce the impact on rates. During September 2020 we undertook a base budget review that identified further savings of $2.2M; we have applied these to reduce the rating impact for the 10-year plan. Council will continue to seek efficiencies and revenue opportunities.

User fees and charges

User fees and charges are an important aspect of how we fund services. Setting fees and charges at an appropriate level is important to pay for the cost of Council's activities. A key aspect considered in reviewing fees for the 10-year plan is that the distribution of benefits is fair – where there are direct identifiable benefits, the appropriate proportion of costs associated with those benefits should be recovered by users. In setting fees and charges, we have made inflationary adjustments where possible to ensure that revenue received keeps pace with the rising cost of services. The fees and charges are available in section 6.

What we proposed

Changes to our Financial Strategy enabled increases to debt levels to fund the proposed $1.5B capital investment programme. Debt projections increase up to $0.6B from $0.2B, with the key measure of net debt to revenue being set with an upper limit of 250 per cent. The plan forecasts achieving our balanced budget target. In 2028/29 – a pragmatic balance between managing the pressures on current ratepayers and ensuring Council remains financially sustainable into the future and that the actions of today do not significantly impact unfairly on future ratepayers.

Over the life of the 10-year plan, the rates revenue increases proposed ranged between 4.9 per cent and 6.8 per cent. [3] In 2028/29 – a pragmatic balance between managing the pressures on current ratepayers and ensuring Council remains financially sustainable into the future and that the actions of today do not significantly impact unfairly on future ratepayers. Over the life of the 10-year plan, the rates revenue increases proposed ranged between 4.9 per cent and 6.8 per cent. [3]

We completed a full review of our Revenue and Financing Policy and proposed some changes in the way we rate properties in Lower Hutt. Some changes affect everyone (eg how we allocate our general rate between rate payer groups) - some affect only a small number (eg how we define rural rates, combining the central and Queensgate business differential categories and removing the commercial accommodation category). Some affect only a small number – how we define rural rates, combining the commercial central and Queensgate business differential categories and removing the commercial accommodation rating category. These changes will help reduce fluctuations in the general rate caused by valuation movement difference between categories. Changes to rating category definitions simplify our rating system, providing greater consistency between our different financial policies, supporting legal compliance and increasing the longevity of the policy.

You Said

Overall there was strong support for the proposed work programme included in the plan, and the associated approach to the funding mechanisms. Support for the general rate was strongly in favour (85 per cent) of option 1 for the rates share between residential and commercial rate payers. People who supported this option were more likely to be residential ratepayers. Businesses generally supported a continuation of the existing policy.

73 per cent of submissions supported aligning the rural rating category definition with the District Plan.

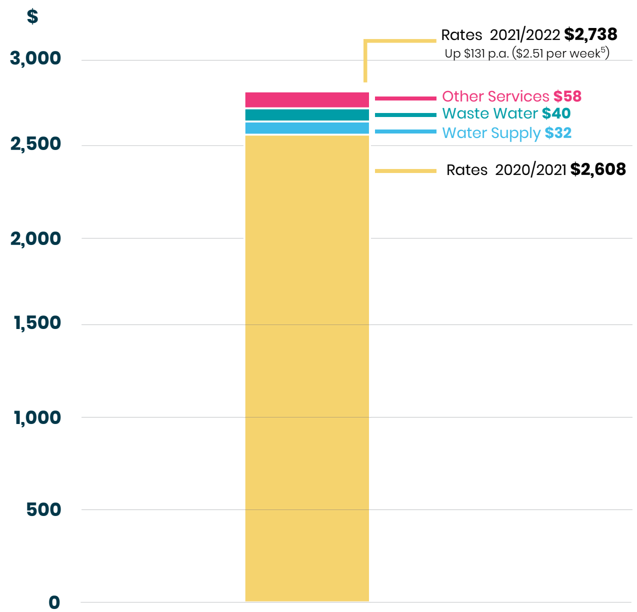
2 Note: The Hutt City Council balanced budget target is defined as the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude from the definition of revenue Waka Kotahi NZ Transport Agency's capital improvement subsidies and central government's COVID-19 Response and Recovery co-funding for Naenae Pool and the Eastern Bays Shared Path.

3 These projected rates revenue increases do not include the waste changes (rubbish and recycling).

Those who opposed the change were mostly concerned about the value that they receive from Council services, with many feeling they received minimal value from services such as community facilities, footpaths, roads and three waters services because of their rural location. 73 per cent of submitters preferred removing the commercial accommodation category.

4 Go to page 27 for full consultation results.

Projected rating impact for average residential ratepayer



5 A new city-wide rubbish and recycling service will be provided to residents from 1 July 2021. Service charges for this are not included in the proposed rates increase. We consulted on changes to rubbish and recycling services in 2020; the final Long Term Plan amendment was approved on 27 October 2020. Under the new system, homeowners will no longer need to purchase rubbish bags or pay for private rubbish collection service.

What was decided

The key decisions by Council can be summarised as follows:

- to adopt the Financial Strategy as proposed, with an update to the rates revenue increases over the ten year period to range between 5.9[5] per cent and 7.2 per cent
- to adopt a percentage allocation approach for sharing the total general rate
- to reduce the residential differential rating category share of general rates from 63 per cent to 62 per cent in 2021/22 and make further reductions of 1 per cent per year for the following two years with the corresponding increases in commercial percentages
- to align the definition of "rural" for rating purposes with rural activity areas in the District Plan
- to combine the Commercial Queensgate and Commercial Central differential rating categories
- to remove the Commercial Accommodation differential rating category by merging properties into either Commercial Central or Commercial Suburban differential rating categories depending on location
- to update the Rates Remission Policy being updated to include a one year remission of 50 per cent of the increase of the general rates for ratepayers changing from the Rural to Residential differential rating category and from Commercial Accommodation to Commercial Central differential rating category
- to set the targeted rates for rubbish and recycling for 2021/22 as consulted on except for the 80L refuse targeted rate which is to be reduced to $105 per annum
- to set the targeted rates for water supply and wastewater as consulted on

Development and Financial Contributions Policy

The Development and Financial Contributions Policy is one of the funding tools available to a council to help fund the cost of infrastructure built to support growth and development. The purpose of the policy is to ensure that a fair, equitable and proportionate share of the cost of infrastructure is funded by development associated with that growth. Growth is forecast to continue; a new home will be available nearly every day for the next ten years.

What we proposed

Council proposed that we keep the policy of meeting 100 per cent of Council's planned growth costs from new developments which is in line with a guiding principle of the Financial Strategy – a balanced budget.

You Said

The development and business sector supported the proposed development contributions catchments, however they did have concerns about the proposal. They questioned whether development sector's contribution to the rateable income of Council was being recognised in the proposed "growth pays for 100 per cent of the growth" approach. They also noted that the policy could allow discounts to be offered as incentives for water conservation in developments eg rain water tanks and/or for providing detention onsite for stormwater and wastewater. Concerns were expressed about the start date for the new policy and the pressure this would put on the sector to submit applications before 1 July 2021 – the implementation date for the policy.

* Go to page 27 for full consultation results.

What was decided

Council confirmed its proposed policy of meeting 100 per cent of Council's planned growth costs from new developments. General ratepayers can no longer afford to bear the full costs of the pace of development in the city and the required supporting infrastructure. Council made some changes to the Development and Financial Contributions Policy to reflect the submission from Summerset Village (Lower Hutt) Ltd. These changes are:

- an assessment rate of 0.3 Equivalent Household Unit (EHU) per retirement village unit or aged care bed is included in the policy for transport, and 0.5 EHUs per retirement village unit or aged care bed for water, wastewater and
- amending the policy to allow the Council to agree to different payment timing arrangement for large scale multi-stage land use consent development, when requested.

Other decisions

Hutt City Community Facilities Trust

Council will take over responsibility for and ownership of the four community hubs developed by the Hutt City Community Facilities Trust.

Rates Postponement Policy

The proposed changes to this policy were not progressed and will be dealt with separately to the final 10-year plan.

Consultation Results

Introduction

The key focus of the 10-year plan 2021-2031 is getting the basics right. To do that, we are doubling its investment in capital projects to $1.5B over the next decade. Two thirds of this will be spent on core infrastructure – investing $587M on our three waters network and $406M on transport projects, accelerating efforts to tackle the housing crisis and taking steps to significantly reduce carbon emissions as part of the capital projects council is planning. Resilient infrastructure assets are crucial to both support the city's growth and in response to the forecast impacts of climate change.

Engagement

For the first time we undertook early engagement with the community to ask them if we were heading in the right direction with the focus on getting the basics right and the six key priorities.

Consultation on the draft 10-year plan began on 6 April and closed on 6 May 2021. A dedicated website attracted high numbers of visits with people engaging with the material available. 427 survey forms were completed via Bang the Table (BTT) during the engagement period (337 full forms and 90 single priority forms). An additional 25 paper forms were received.

Further hui were held with Iwi Mana Whenua and a number of café style engagement hui were held in our community facilities. Meeting face to face and informally gave those attending an opportunity to talk directly to Councillors and senior officers supporting the hui to share their concerns and ideas for the future. Hui occurred with a range of interest groups across the education, social services, business and community sector.

Major enhancements were made to the consultation document (which was designed for the digital environment) and website and social media played a key role. There were at least 117 conversations on the Hutt City Council Facebook page relating to the 10-year plan and Facebook polls received 1617 responses. The Facebook page messaging reached 27,455 people, had 865 post clicks, 85 reactions, 27 shares and 20 comments. There were 5081 page views and approximately 1,800 people visited the microsite primarily direct via social media. There was a 50/50 split between mobile and desktop technology. Consultation documents, feedback forms and topic flyers were sent out to all libraries and hubs in week two. Libraries and hubs were sent a copy of the consultation document and full draft 10-year Plan so that sections could be printed as requested.

Mana Whenua

Engagement with Iwi Mana Whenua was a key focus and began prior to the development of the draft 10-year plan , continuing throughout the year and engagement period. Iwi Mana Whenua support council refocusing on addressing the shortage of suitable housing. Investing in the city's core infrastructure and prioritising of spending on three waters. They welcome the commitment to the partnership between Iwi Mana Whenua and council. Support for the move towards the four wellbeings and council's commitment to addressing climate change is strong. They urge council to be bold and make the changes that are needed to secure the future for the people of Te Awa Kairangi Lower Hutt.

The results and analysis

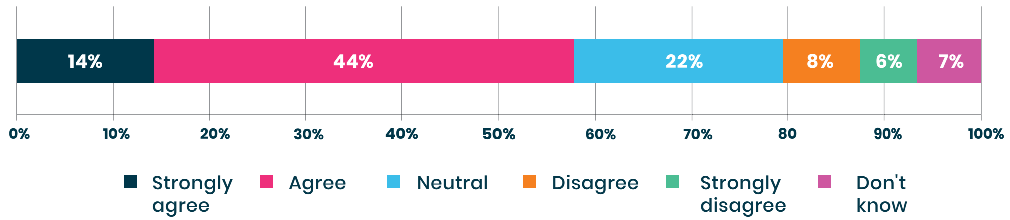
The majority of feedback supports the overall direction being taken, the six priorities identified, the 5.9 percent rates revenue increase and the initiatives proposed.

Opinion is split relatively evenly on Petone Wharf. Analysis indicates that the lower level of support for Petone Wharf is related to the desire to reduce the rates increase, rather than fundamental opposition to the project. People stating a lower level of support for projects such as Petone Wharf, Naenae Pool and RiverLink strongly support the three waters and transport investment and are looking for savings elsewhere to help meet the investment needs.

We received 452 submissions via BTT and other correspondence during the engagement period 6 April to 6 May. Considerable effort was put in to confirming the quality of the data to ensure that any duplicate submissions were picked up and the data entry was correct. An external research company has peer reviewed both the methodology used and the data analysis itself.

There was a good response across wards. The majority of submissions came from people under 50 years (62 per cent) with 11 per cent from under 29 years 4 per cent of which were under 20 years. Of these 58 per cent strongly agreed or agreed with the overall approach outlined in the draft 10-Year Plan while 14 per cent either disagreed or strongly disagreed.

Support for our preferred options ranged from 85 per cent (three waters) to 57 per cent (RiverLink). There was more support for the Community Facilities Trust and Neighbourhoods and Communities approach proposed by council than opposition, but both included a high proportion of "don't know" responses.

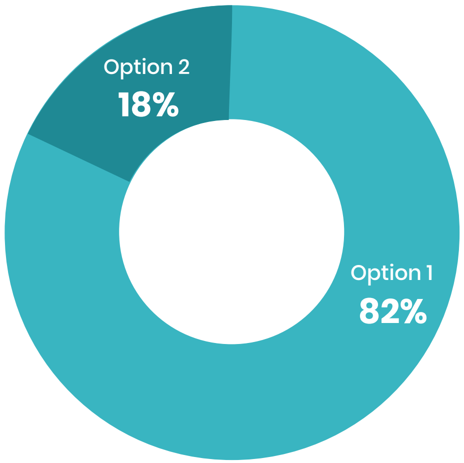


Three Waters

There was significant support for an increased investment in three waters infrastructure. Some respondents were concerned that the current infrastructure was not durable enough for the projected population increased, and noted that resilience and future-proofing was a priority. Some were apprehensive at the thought of water meters, while others considered that to be important in order to identify leakages.

367 Responses

Option 1: (preferred option): Significant increase in Three Waters investment	82%
Option 2: Maintaining current levels of service with modest additional investment	18%

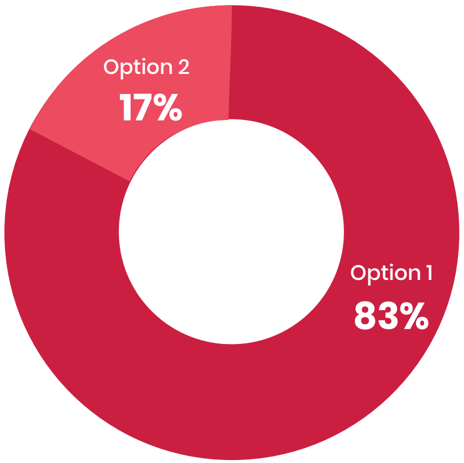


Transport

The majority of respondents noted that change was needed to fix current traffic issues in Te Awa Kairangi Lower Hutt. There was some concern that the city is too car-centric, and the problems of congestion would only worsen if the roads were not adequate enough to allow more pedestrians and public transport in future.

358 Responses

Option 1: Proactive approach to transport investment	83%
Option 2: Reactive approach with reducing service levels over time	17%



There were mixed views from respondents. Some had the perception that the Cross Valley Transport Connection would reduce traffic congestion, while others took the view that it would worsen the problem. Several respondents felt that this project was not consistent with council's environmental sustainability goals, and wanted a mode shift into increased pedestrian and cycle-oriented infrastructure.

Others thought building another road was not necessary and that if we need an east-west connection then can we look at public transport options. There may be some confusion here with people not quite understanding that the first years of the transport programme are focused on public transport and active transport improvements. We will raise awareness of the programme through the Integrated Transport Strategy that is currently under development.

Safe transport infrastructure that supports micromobility and cycling is the focus of a majority of these responders. Many are advocating for a mode shift from cars towards walking and active transport with the view that moving away from private car usage is better for the environment as well as for the health of our community's citizens. People have also commented that building a comprehensive cycling and micromobility transport network warrants a large expenditure of money as it is needed to offset the impact of the projected intensification of housing. Further comments emphasise the need for equity in cycle path availability in all the suburbs of Te Awa Kairangi Lower Hutt.

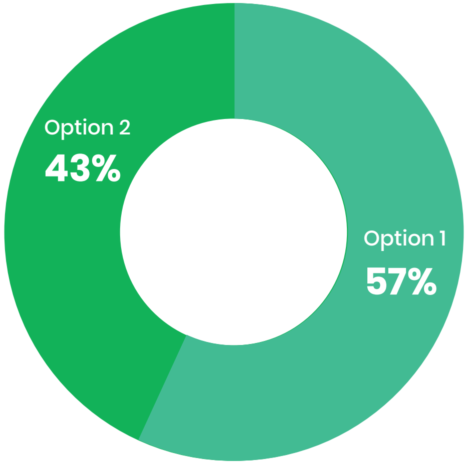
RiverLink

RiverLink has been widely supported from its early conception as part of Making Places in 2010. Over time the community has been asked to provide feedback on various aspects of the project from design to the preferred option for flood prevention. Support has continued through a number of engagements since the community agreed a preferred flood protection approach and the three partners to RiverLink – Hutt City Council, Greater Wellington Regional Council and Waka Kotahi – forming a joint project office to deliver the project. As a city, we have already invested considerable time and resources in delivering this game changing project for the city and its many communities.

Feedback about the RiverLink project largely supports improving the transport infrastructure. Improved and safe accessibility to active transport and micromobility, in conjunction with better connectivity to public transport was highlighted. In this context, the Melling Interchange is mentioned as a particularly desirable and positive investment. Of paramount concern is flood protection and resilience.

324 Responses

Option 1: (preferred option): Increase investment in Riverlink.	57%
Option 2: Maintain funding to RiverLink at current level.	43%

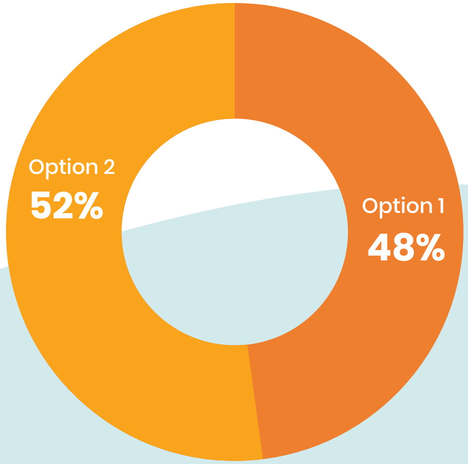


Petone wharf

Some submitters mentioned sea level rise and suggested that Petone Wharf would have a role to play in increasing food resilience, while others saw sea level rise as a reason to not invest the wharf. Others saw the wharf as a transport option to reduce congestion. The full refurbishment project will enable a ferry or boat to berth at the wharf. This was the situation before the wharf was closed.

360 Responses

Option 1: (preferred option): Bring forward budget to demolish the head and fully refurbish most of Petone Wharf to the 2021-2023 financial years.	48%
Option 2: Budget to demolish the head of Petone Wharf in 2021-2022, but leave the budget for the refurbishment in the 2032 financial year.	52%

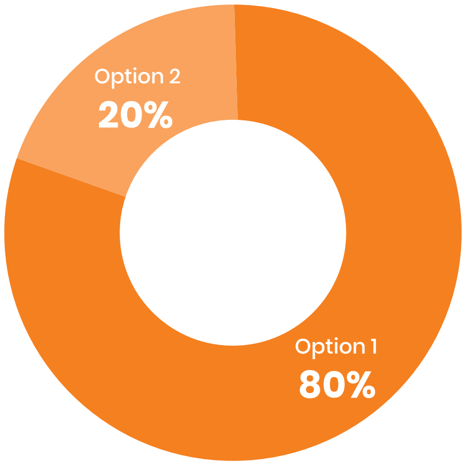


Naenae Pool

Many respondents expressed support for a rebuilt pool, with several noting the need to have a drawcard facility in the region for a variety of team sports and swimming events. Some expressed frustration at the time it was taking to begin work on this project. Several mentioned ideas of things they would like to see in the rebuild: eg extra slides, a spa and sauna, 10 lanes. A small group felt the Te Awa Kairangi Lower Hutt was well catered to with pools and there should be more consideration for the overall cost, with an additional 17 comments noting that they did not want the pool rebuilt at all. Support for rebuilding the Naenae Pool to the same standard prior to its closure (option 1) increased steadily during the engagement period. The question on Naenae Pool received the highest number of responses. Almost all those who filled out the full form answered this question and many of those who filled out the infrastructure priority formed only filled out this question.

380 Responses

Option 1: (preferred option): Build a new, modern, fit for purpose and sustainable facility which has a similar level of facility and services as the existing pool.	**80%**
Option 2: Rebuild the pool with a lower level of facility and services.	**20%**



Caring for and protecting our environment

There was a high level of support for greater investment in responding to climate change impacts. Submitters were keen to see council taking action sooner to address climate change impacts, especially forecast sea level rise. The Cross Valley Transport Connection in particular was seen as counter-intuitive to the prioritisation of active and public transport modes and placing private vehicles at the lowest priority was the preferred approach.

Submitters felt that achieving a mode shift to active transport is critical and that the funding allocated to active modes does not reflect this criticality. They wanted a stronger financial commitment to micromobility, reducing carbon emissions, increasing biodiversity and creating a more connected and healthier city.

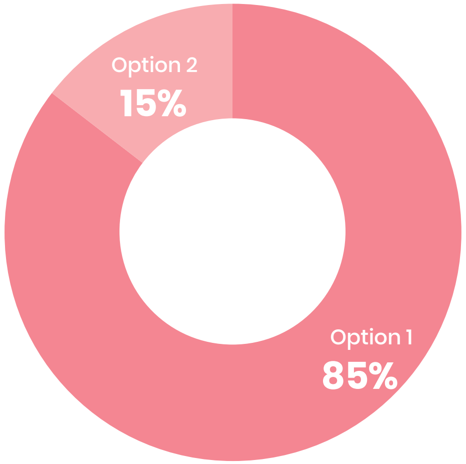
Submitters supported the focus on EVs as a core way to reduce the 56 per cent of emissions that come from private vehicle use but felt this was not enough. Some felt EVs are an expensive option for council vehicles at the present time and that council should wait for them to be less expensive. Others focused on Te Awa Kairangi Lower Hutt Lower Hutt and the importance of the health of the river for supporting flora and fauna and improve the quality of waterways.

General Rate

Support for option 1 for the rates share between residential and commercial rate payers was strong with 85 per cent preferring this option. People supporting this option were more likely to be residential ratepayers. Fifteen per cent of submitters supported option 2.

308 Responses

Option 1: (preferred option): 62% residential share of the total general rate.	85%
Option 2: 63% residential share of the total general rate.	15%



Diversified and Stride opposed the policy change. They submitted that Queensgate provides a range of services to the community to ensure it is an attractive place to work and visit, that it serves an important community function by being a place where friends and family can meet and connect and that they have invested significant capital in ensuring the centre remains attractive to residents and visitors alike. They asked council to return to a policy of reducing the commercial share of rates over time reflecting a council decision in 2012 to reduce the commercial share to 2.29 of the general rate.

Hutt Valley Chamber of Commerce

The Hutt Valley Chamber of Commerce (HVCC) is the predominant voice for the small to medium enterprise (SME) sector across the Wellington region and in particular the Hutt Valley. More than 90 per cent of their members operate small and medium sized businesses, each employing less than 20 people.

The Chamber hosted approximately 75 people at a Mayoral Breakfast on 14 April and another 30 people at a specific workshop focused on the Draft Development and Financial Contributions Policy. They have also run a five-month programme communicating details of the RiverLink project to the business community including the very constructive Spotlight on RiverLink event held in March which provided an effective forum for discussion and feedback.

Development and Financial Contributions Policy

The Chamber is in support of some contribution from developers. However their view is that the current change in policy, which will result in large fee increases in some catchments, is being implemented in a very short space of time. The Chamber expressed concerned that the business community was not aware of the proposed Development and Financial Contributions Policy and the extent of the proposed changes to charges.

The Chamber supports RiverLink, asked that more be done to address parking and transport infrastructure and also that Council engage in planning for the impact of Transmission Gully on the congestion and other traffic issues it will cause in Lower Hutt.

They support council's ongoing commitment to investing in core infrastructure and the approach to identifying significant additional cost savings. They also support the continued investment in water infrastructure and earthquake resilience and recognise that without these basic elements of infrastructure, businesses cannot operate.

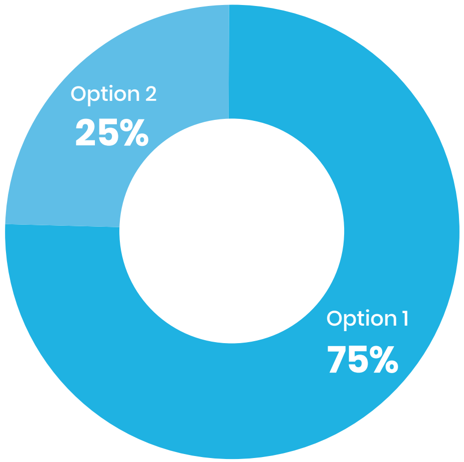
They note that in the current economic climate, the business community continues to face ever-increasing costs and this is being reflected in their local business confidence surveys, with interim data from the current survey showing almost 60 per cent of local businesses are seeing costs increasing. They also expect to see this continuing for the next 3-12 months.

Rural Rating Category

75 per cent of submissions supported option 1 - align rural rating category definition with the District Plan with 25 per cent supporting option 2 - maintain the current rural category definition. All comments made were by people opposing the change. Their concerns mostly relate to their view that they receive minimal value from council services such as community facilities, footpaths, roads and three waters services because of their rural location.

284 Responses

Option 1: (preferred option): Align rural rating category definition with the District Plan.	75%
Option 2: Maintain the current rural category definition.	15%

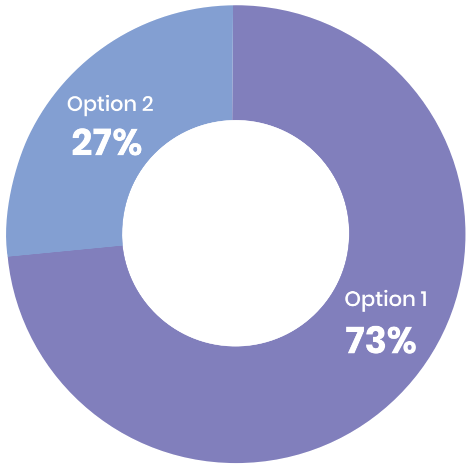


Commercial Accommodation Category

73 per cent of submitters preferred option 1 - remove the commercial accommodation category with 27 per cent preferring option 2 - retain commercial accommodation category. There was one comment made with the submitter concerned about a possible knock-on effect of reduced accommodation across Lower Hutt.

273 Responses

Option 1: (preferred option): Remove the commercial accommodation category.	73%
Option 2: Retain commercial accommodation category.	27%

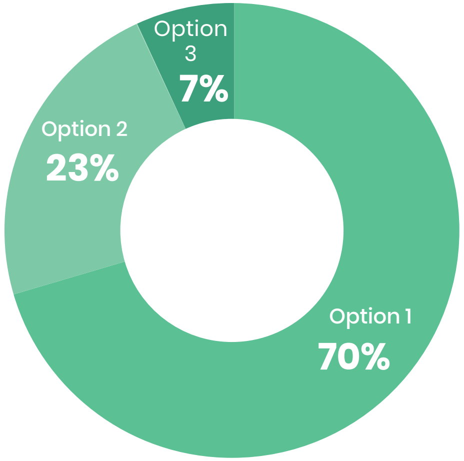


Development and Financial Contributions Policy

Of the 287 people who responded to this question, 70 per cent support the council's 'growth' funding approach in the Policy. The development sector would prefer to see ratepayers making some contribution towards the costs of growth. Their view is that the city benefits directly from development through an increased rating base.

287 Responses

Option 1: (preferred option): Retain a policy of meeting 100 per cent of Council's planned growth costs from development and financial contributions.	70%
Option 2: Fund part of Council's planned growth costs from development contributions and financial contributions, and the remainder from another funding source, such as rates.	23%
Option 3: Fund 100 per cent of Council's planned growth costs from a funding source other than development contributions and financial contributions, such as rates.	7%



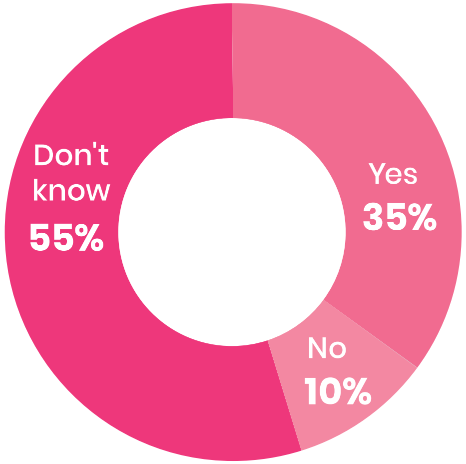
Hutt City Community Facilities Trust

We asked our community if they agree with the approach to addressing the future of the Hutt City Community Facilities Trust. There was a high number of "don't know" responses (55 per cent) however 35 per cent of submitters supported the change. The confusion about who the trust was and what they do was further reflected in the comments with many respondents including comments about libraries, parks and playgrounds.

321 Responses

Agree with councils approach

Yes	35%
No	10%
Don't know	55%



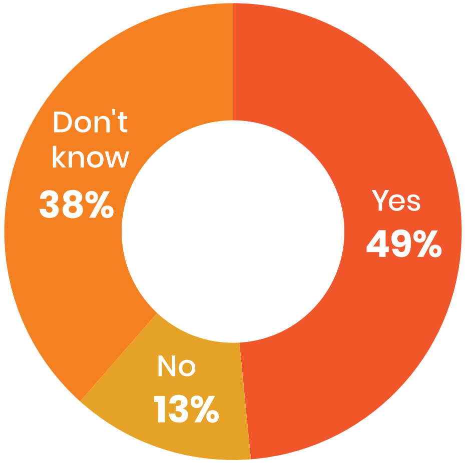
Neighbourhoods and Communities Strategic Direction

We asked our community if they agree with the direction we are taking on connected communities. Forty-nine per cent of submitters agreed however there was a high number of "Don't know" responses. This is to be expected with the Neighbourhoods and Communities team continuing to work with our diverse communities to develop the new strategic approach.

310 Responses

Agree with councils approach

Yes	49%
No	13%
Don't know	38%



Sports

There were several submissions from sports organisations requesting funding. Work is continuing on the Neighbourhoods and Communities Strategic approach and an important part of this work is the development of a framework to inform and guide decision making on the level of funding and support given to various sporting organisations. This framework will be developed and agreed by council before the 10-year plan 2024-2034.

Other

Submitters proposed a range of other projects and funding proposals including comments not directly relating to proposed projects in the 10-year plan. These included respondents' views on what they would like to see in Lower Hutt's future, along with opinions on further actions council could take. Common themes included investment in arts and culture programmes, strengthening consultation with the public and expanding the range of resources available to residents and businesses.

Section Two

Whakarāpopoto pūtea
Our finances at a glance

Our finances at a glance

We're facing some big financial challenges as we re-focus our work on getting the basics right. When making decisions about our 10-year plan and budget, we need to balance the need for services against the ability of our community to pay rates. Good financial management and long-term sustainability must underpin our plans. We're focused on carefully managing our city's finances to ensure we're able to fund infrastructure and services for our community now and in the future. As a growing city, there is a need for additional infrastructure, and we need to ensure that the associated costs are spread equitably.

The Financial Strategy focuses on strong fiscal management while addressing growing demands for increased capital expenditure in core infrastructure assets. Our plans also ensure Council returns a balanced budget by 2028/29.

Over the life of the 10-year plan, the projected rates revenue increases range between 5.9 per cent and 7.2 per cent.[1]

Our financial strategy helps us guide our financial decisions on services and projects that support a sustainable outcome for our community now and in the future.

In our budget these principles are used as considerations:

Is fair and equitable

We spread the recovery of the cost of long term projects over their lifetime so it's shared across the generations using the assets. We also set a balanced budget, which means we have the money we need for now and the future and so that you only pay rates for the services you receive, can access or are of benefit to the wider community.

Is prudent

We are careful with our budgets and debt levels to make sure we are managing it at an acceptable level and so we're ready for the future of our growing city.

Is affordable

We consider affordability of rates when making our decisions. We also support those who might need help.

Represents value for money

We work with you to create priorities, then we make sure that the total cost is reasonable and that it represents value for money.

Is prioritised

We carefully consider our investment options and are clear about our priorities - core infrastructure and 'invest to save' options.

Considers our environment and sustainability

We invest where we can to support our environmental and climate change impacts and outcomes.

Shares the benefits

We subsidise, through rates, some costs for the benefit of the wider community. Where there is no wider community benefit, you will pay for yourself.

Uses growth to pay for growth

We pay for the costs of infrastructure to support growth with money from those who are causing the growth.

Has good financial governance and stewardship

We will look after Te Awa Kairangi Lower Hutt and our financial health for those who come next. We will maintain infrastructure and manage debt so future councils continue to succeed.

Capital investment

We have a planned capital investment spend of $1.5 billion for the 10 years of the 10-year plan, 40 per cent of which is for three waters and 28 per cent for transport. This is a doubling of the investment spend compared to the previous 10-year plan. This investment will be funded by borrowings, development contributions, central government subsidies and rates.

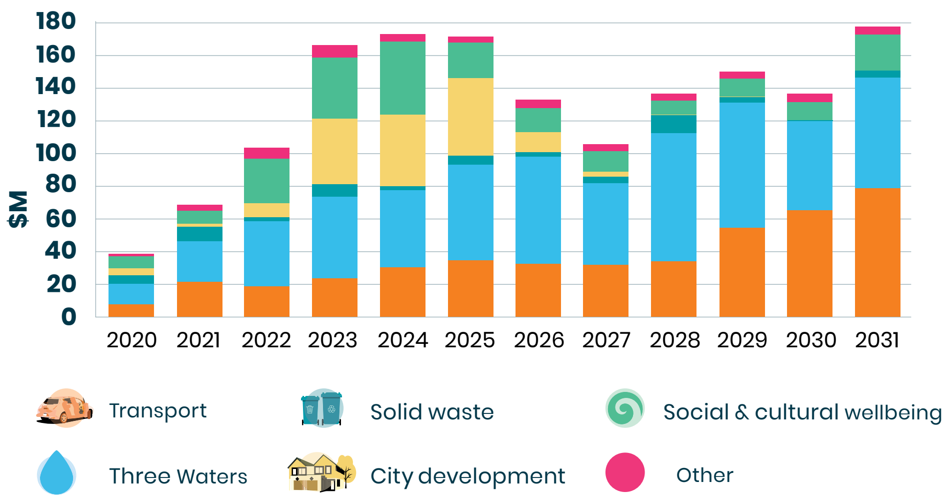
Council is projecting a significant increase in its capital programme to achieve the outcomes in the proposed long term plan. We are investing in resources to support delivery and taking actions alongside our partners to manage the increased expenditure effectively.

These include:

- additional operating funding to support Wellington Water Ltd to increase its capacity to deliver on the increased programme
- an independent review of local sector capability and capacity. This will assess Wellington Water and their supply partner's current capability and test their growth plans and ability to deliver all their client councils capital programmes
- Council's transport team have engaged specialists focussed on programme delivery
- changes proposed as part of Council's organisational review include both scaling up teams that support delivery and bringing specialist knowledge in house.

The significant increase in the capital programme carries a level of uncertainty and risks to achievability as we implement the actions above. It is important for us to get it right as delays to the programme may result in Council not meeting planned levels of service or result in greater costs in the long term.

Total capital expenditure by year and Council Activity

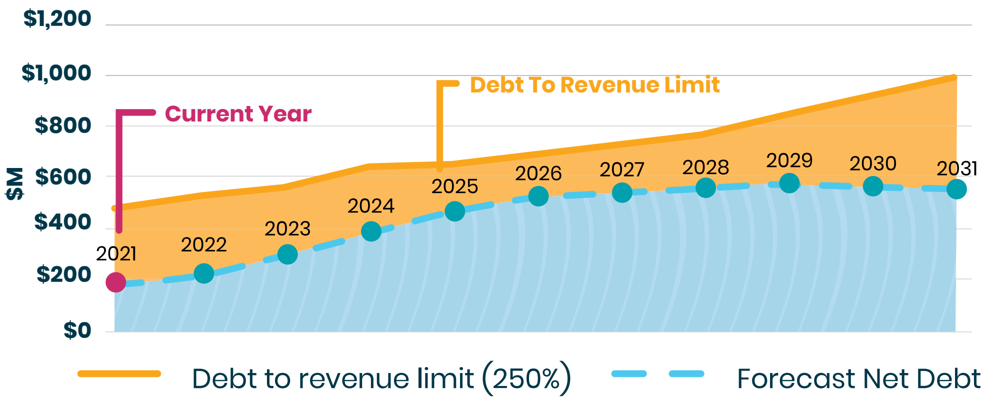


1 These projected rates revenue increases exclude the impact of service changes introduced in 2021/22 for waste services (rubbish, recycling and green waste).

Borrowings

Debt is projected to increase from $0.2 billion to $0.6 billion over the next 10 years, to fund the planned capital investment programme.

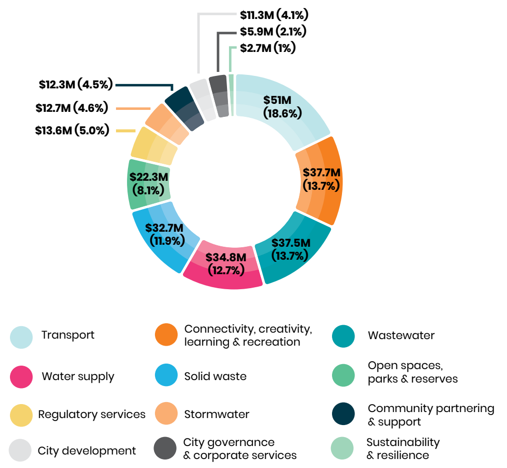
Projected net debt compared to debt to revenue limit of 250 per cent



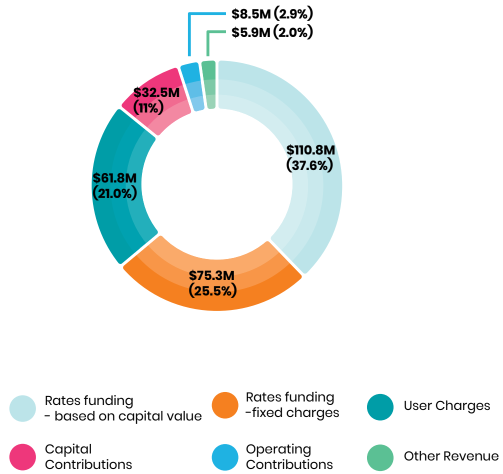
Development contributions

We completed in a review of the Development Contributions policy. The review estimates an increase in revenue from development contributions of approximately $27.5M over the period of the 10-year plan, resulting in an increase in budget from $10M to approximately $37.5M. The increase in revenue will result in lower borrowing and rates requirements. This reflects the significant increased investment we are planning in our infrastructure to keep pace with our growing population.

Where does Council spend money (10-year average)?



Where does Council income come from (10-year average)?



Asset management

Infrastructure deteriorates as it ages, increasing the likelihood of failures and disrupting service to customers. These failures also increase maintenance, operations and customer service costs. Planning to renew infrastructure that is reaching or at the end of its life reduces the risk of service interruptions and minimises maintenance costs.

Three waters: We received advice on our three waters assets based on the current information available to Wellington Water. This advice included the need for additional investment in understanding the condition of our underground assets. Using age based asset information, it also identifies that we have a backlog of renewals that presents an increased risk of failure and service interruptions, and is contributing to increases in unplanned maintenance and operating costs. The forecast investment profile using age based information will, over the next 30 years, reduce this backlog as well as addressing future renewal needs[2]. It will also refine our understanding of the overall condition and expected life of assets.

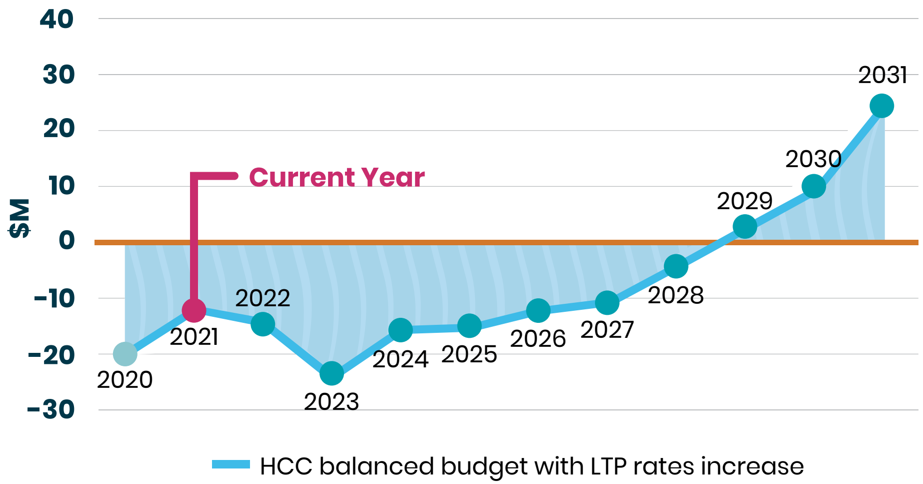
Initial increases in funding were included in the Annual Plan 2020/21. In 2020/21 we began a programme to understand the condition and 'health' of the most critical assets. This will ensure the risk of their failure is actively managed and reduced, and they are prioritised for renewal accordingly. Further increase in budgets is stepped over the initial years of the plan to ensure that the increased level of work is achievable. This will also allow for the work later in the plan to be better prioritised and targeted.

A number of factors affect how we tackle the backlog and prioritise future renewals. These include criticality (ie the potential impact on customers and the environment if an asset fails), age, operating parameters, and our knowledge of the assets' condition. For the most critical assets, the ideal approach is that we understand the condition and rate of deterioration of the specific asset. For less critical assets we can make informed decisions based on what we know about that particular type or 'class' of assets (ie all cast iron drinking water pipes).

Balanced budget

The 10-year plan projects that we will achieve the balanced budget target in 2028/29. This balanced budget position is a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future.

Projected Council Balanced Budget Position[3]



2 Using age based asset information to support our budget forecasts increases uncertainty levels in the timing and amount of these forecasts. Council's investment to better understand the condition of our asses will help reduce this uncertainty level.

3 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 NZ Transport Agency's capital improvement subsidies and central government's COVID-19 Response and Recovery co-funding for Naenae Pool and the Eastern Bays Shared Path.

How this plan will affect your rates

The examples below show how a range of properties are affected by the rates for 2021/22.

Further information can be found in this 10-year plan. See:

- Financial Strategy
- Revenue and Financing Policy
- Funding Impact Statement Including Rates

Property category	2020/21 rates	2021/22 rates	Change per annum	Change per week
Average residential, CV[5] $629K	$2,608	$2,738	$131	$2.51[4]
Average commercial central, CV $1.7M	$13,994	$14,802	$808	$15.53
Average commercial suburban, CV $1.6M	$11,922	$13,124	$1,202	$23.12
Commercial Queensgate, CV $295M[6]	$1,906,376	$2,300,864	$394,488	$7,586
Average rural, no services CV $872k	$1,617	$1,678	$61	$1.17
Utilities	$18,294	$19,260	$966	$18.57

4 This cost excludes service changes to waste services (rubbish and recycling).
5 Capital Value
6 Queensgate property value has increased from $240M to $295M during the year which has impacted on the rates change

Where will my rates be spent over the next ten years?

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

$11.61
Roads bridges and footpaths

$4.25
Traffic management and parking

$3.17
Road maintenance and street cleaning

$16.40
Water supply

$1.61
Halls and venues

$2.53
Museums

$3.17
City governance and corporate services

$17.85
Wastewater

$6.02
Stormwater

$6.18
Waste and recycling collection

$4.41
Libraries

$9.52
Parks and reserves

$6.34
Pools

We expect to receive $6.13 of credit from the landfill. This will help to offset costs and is reflected in the figures for all these other services shown on this page.

$5.38
Development and growth

$0.86
Sustainability engagement*

$2.04
Consents and regulatory

$0.38
Promotion and events

$4.19
Community partnering

$0.22
Recreation programmes

*** 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**

Section Three

Ngā oranga e whā
The four wellbeings
(Statements of Service Performance)

3

Setting the scene for
Te Awa Kairangi Lower Hutt

Lower Hutt Environmental Wellbeing

A healthy natural environment can support community wellbeing. The environment directly and indirectly impacts on our health and wellbeing. Addressing environmental issues and concerns, and ensuring communities have access to quality green spaces and clean, safe waterways has direct positive effects on our communities health and wellbeing. We depend on the environment for energy and the materials needed to sustain life while environmental hazards can increase the risk of disease.

The illustrated outcome measures give us an insight into how our city is doing in areas relating to environmental wellbeing. These outcome measures cannot be controlled by Council [1]; there are many influences outside of Council that will contribute to these measures moving in a positive or negative direction over time. However, some of Council's projects are aimed at having an impact on these city outcomes, for example by enabling and encouraging the installation of EV charging stations, Council can assist in growing the infrastructure needed to encourage more people to purchase an EV rather than a petrol or diesel car.

1 These are long term outcome indicators that we do not intend to report on each year.

Average residential electricity consumption

January 2020 **418 kWh**

June 2020 **790 kWh**

New solar and wind renewable energy connections in the Wellington Region from July 2019 to June 2020

Solar: **165**

Wind: **0**

Total number of solar and wind renewable energy connections in the Wellington Region at June 2020

Solar: **1,379**

Wind: **13**

Residents perceptions of problems (Percentage who agreed with problem - 2020)

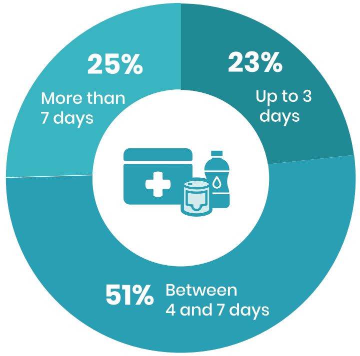
Traffic congestion **84%**

Air pollution **23%**

Noise pollution **40%**

Water pollution **61%**

Households with emergency food and water (June 2020)



Total electric vehicles owned in 2020

Light pure electric vehicles **532**

Light plug-in hybrid vehicles **105**

New car registrations in 2020

Petrol **65%** Hybrid **15%**

Diesel **17%** Electric **3%**

Key performance indicators

The Key Performance Indicators (KPIs) measure performance (what we do) and link to the outcomes we are trying to achieve for the city (why we are doing it) and were developed with service delivery managers to ensure that the KPIs:

- align with Council's six key priorities
- are central to improving performance, that is, they can be used by managers at least quarterly to inform decision making and make service/performance improvements to respond to results
- are directly controllable by Council and measure the outcomes that we can directly influence
- are measurable and can be measured at least quarterly.

The activities measured by these KPIs are those that Council is highly likely to deliver in the long term and those that lend themselves most directly to ensuring clear alignment can be made between the KPIs measuring performance (what we do) and the outcomes we are trying to achieve for the city (why we are doing it).

The Residents Satisfaction Survey results are used to measure the quality of the services and facilities Council provides. To date this survey has been conducted over the phone; from July 2021 the survey will be an online survey. It is likely that this change in methodology will negatively affect the results; therefore the targets for these measures have been reviewed to reflect this change.

Water Supply

Statements of Service Performance
Introduction to objectives, contributions and services

What we do

We provide a sustainable and high-quality water supply to our community and regularly monitor the water quality and carry out any maintenance and upgrades necessary to ensure the required service. We are improving water conservation and exploring the use of meters as a means of managing the network to ensure leakage from both the public and private parts of the networks is minimizes.

Having taken into account the expert advice we received on our water infrastructure, we are going to significantly increase investment in the city's three waters infrastructure. The increase in funding will allow us to:

- reduce the risk of asset failure and service disruption
- provide infrastructure required for future growth, and relieve stress on existing assets
- support a reduction in water consumption – which will extend the life of some infrastructure
- improve the health of our urban waterways
- support reduction in carbon emissions.

We provide this service through ownership of the assets involved in the service provision, however the day to day service provision is provided via Wellington Water Limited. Wellington Water Limited is a council controlled organisation owned by the six Wellington Councils to run the Water Supply across the Wellington region.

Why we do it

To ensure our community has equitable access to reliable quality drinking water and a sustainable reliable water supply. Our investment is aimed at: reducing the risk of asset failure and service disruption, and; supporting a reduction in water consumption which will extend the life of some infrastructure. We are increasing our investment to avoid asset failures, improve environmental outcomes and plan for growth. Planning to renew infrastructure that is reaching the end of its life reduces the risk of service interruptions and minimises maintenance costs.

Significant negative effects and mitigation

Potential negative effects include the decline of watercourses (rivers, streams etc.) due to the rate of water extraction, and the decline of habitats affected by upgrading and replacing three waters infrastructure. Extraction is managed to ensure that potential adverse effects are minimised to acceptable levels. We contribute towards managing the demand for water, and therefore the requirement to develop new water sources.

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
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%	Full Compliance - 100%
Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Full Compliance - 100%	Full Compliance - 100%	Full Compliance - 100%
Number of complaints for drinking water per 1000 connections	13	≤20	≤20
Residents satisfaction with the water supply service they receive	98%	≥ 95%	≥ 90%[2]
Attendance for urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site	99 minutes	≤ 60 minutes	≤ 90 minutes[3]
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	7.4 hours	≤ 4 hours	≤ 8 hours[3]
Attendance for non-urgent callouts: from the time that the local authority receives notification to the time that service personnel reach the site	113 hours	≤ 36 hours	≤ 72 hours[3]
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	13 days	≤ 15 days	≤ 20 working days[3]
We need to ensure we have a sustainable water supply for the future			
Average drinking water consumption per resident per day	389 l/p/d	≤ 345 litres per day	≤ 385 litres[3]
Percentage of real water loss from networked reticulation system	19%	≤ 18%	≤ 20%[3]

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to meet additional demand ($000)										
Network Upgrades Growth	54	56	57	59	61	62	64	66	68	70
Reservoir Upgrades Growth	389	901	1,248	13,313	6,587	-	-	-	475	487
Capital projects to improve level of service ($000)										
Critical Pipelines Seismic Upgrade	258	2,387	-	-	-	-	-	-	-	-
Network Upgrade - Water Supply	1,031	567	400	990	11,418	11,781	12,123	12,672	2,305	418
Pump Station Upgrades	57	-	-	-	-	-	-	-	-	-
Reservoir Upgrades	713	1,658	1,711	9,428	10,850	741	2,211	2,669	1,001	945
Capital projects to replace existing assets ($000)										
Distribution Pipe Model Development	162	-	-	-	-	311	-	-	-	-
Reactive Network Renewals	162	167	172	176	182	187	192	198	203	209
Reactive Pump Station Renewals	526	630	1,067	491	505	487	206	212	225	301
Reactive Reservoir Renewals	81	83	86	88	91	93	96	99	102	104
Control Systems Renewals	48	44	67	90	104	98	86	108	140	123
Network Renewals Water Supply	9,043	5,949	6,746	7,484	8,278	8,260	8,716	8,968	9,229	13,238
TOTAL CAPITAL	**12,523**	**12,442**	**11,554**	**32,119**	**38,076**	**22,020**	**23,694**	**24,992**	**13,748**	**15,895**

Three waters reform

The way that water services are provided is currently being reviewed by central government. The comprehensive water reform process is in its early stages. For further details see section 1.

2 The lower target reflects a change in methodology from a phone survey to an online survey.
3 Council has amended performance targets for some of the three waters' performance measures to ensure that these measures are realistic and reflect the current level of service being provided by the Council. The amendment will also ensure a consistent approach to measuring performance across the region for those Councils with three water services managed by Wellington Water.

Water Supply

Prospective Statement of Comprehensive Revenue and Expense

Revenue ($000)	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	3,325	3,625	3,730	3,838	3,950	4,064	4,178	4,299	4,424	4,552	4,675
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	1,060	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	1,060	-	-	-	-	-	-	-	-	-
Development & financial contributions	175	706	1,033	1,163	1,473	1,811	2,006	2,128	2,311	2,476	2,608
Vested assets	116	116	120	123	127	130	134	138	142	146	150
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenue	**3,616**	**6,567**	**4,883**	**5,124**	**5,550**	**6,005**	**6,318**	**6,565**	**6,877**	**7,174**	**7,433**

Expenditure ($000)	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Employee costs	-	-	-	-	-	-	-	-	-	-	-
Operating costs	15,057	17,853	19,978	21,772	22,020	23,544	25,102	26,689	27,779	29,112	30,910
Support costs/internal charges	397	421	612	612	628	651	685	678	699	726	716
Interest expenditure	516	773	595	831	1,233	1,832	2,311	2,732	3,204	3,518	3,599
Depreciation	4,792	4,335	5,006	5,673	6,347	7,048	8,001	8,744	9,526	10,651	11,138
Total expenditure	**20,762**	**23,382**	**26,191**	**28,888**	**30,228**	**33,075**	**36,099**	**38,843**	**41,208**	**44,007**	**46,363**
Deficit before Tax	(17,146)	(16,815)	(21,308)	(23,764)	(24,678)	(27,070)	(29,781)	(32,278)	(34,331)	(36,833)	(38,930)
TOTAL CAPITAL EXPENDITURE	**5,393**	**12,523**	**12,442**	**11,553**	**32,119**	**38,074**	**22,020**	**23,694**	**24,992**	**13,747**	**15,895**

Prospective Funding Requirement

Rates Funding Requirement ($000)	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Surplus/(deficit)	(17,146)	(16,815)	(21,308)	(23,764)	(24,678)	(27,070)	(29,781)	(32,278)	(34,331)	(36,833)	(38,930)
Add capital contributions	(175)	(1,766)	(1,033)	(1,163)	(1,473)	(1,811)	(2,006)	(2,128)	(2,311)	(2,476)	(2,608)
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(17,321)**	**(18,581)**	**(22,341)**	**(24,927)**	**(26,151)**	**(28,881)**	**(31,787)**	**(34,406)**	**(36,642)**	**(39,309)**	**(41,538)**

Loan Funding Requirement ($000)	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital to meet additional demand	-	(443)	(956)	(1,305)	(13,372)	(6,647)	(62)	(64)	(66)	(542)	(557)
Capital to improve level of service	(2,311)	(2,059)	(4,612)	(2,111)	(10,418)	(22,268)	(12,523)	(14,334)	(15,341)	(3,306)	(1,363)
Capital to replace existing assets	(3,082)	(10,021)	(6,874)	(8,137)	(8,329)	(9,159)	(9,435)	(9,296)	(9,585)	(9,899)	(13,975)
Less capital contributions	175	1,766	1,033	1,163	1,473	1,811	2,006	2,128	2,311	2,476	2,608
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	4,792	4,335	5,006	5,673	6,347	7,048	8,001	8,744	9,526	10,651	11,138
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(426)**	**(6,422)**	**(6,403)**	**(4,717)**	**(24,299)**	**(29,215)**	**(12,013)**	**(12,822)**	**(13,155)**	**(620)**	**(2,149)**
TOTAL FUNDING REQUIREMENT	**(17,747)**	**(25,003)**	**(28,744)**	**(29,644)**	**(50,450)**	**(58,096)**	**(43,800)**	**(47,228)**	**(49,797)**	**(39,929)**	**(43,687)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by $23M, primarily due to an increase of $17M in expected Development Contributions as a result of the new development contributions policy.

Operating Expenditure

Operating expenditure is increasing by $122M, primarily due to an increase in operating maintenance expenditure of $78M as part of an increase in investment in maintaining the three waters assets. There is also an increase of approximately $12M in interest costs and $30M in depreciation costs, due to a recent revaluation of assets and a significant increase in capital expenditure.

Capital

Capital spending is increasing by $157M to address renewals of aging assets, support growth impacts, and improve asset performance in focus areas within water supply as part of the additional capital investment across all of the three waters.

Wastewater

Statements of Service Performance

Introduction to objectives, contributions and services

What we do

We provide a pipe network that takes effluent to the Seaview Wastewater Treatment Plant and treats it to public health and environmental standards. Having taken into account the expert advice we received on our water infrastructure, we are going to significantly increase investment in the city's three waters infrastructure. The increase in funding will allow us to:

- reduce the risk of asset failure and service disruption
- provide infrastructure required for future growth, and relieve stress on existing assets
- support a reduction in water consumption – which will extend the life of some infrastructure
- improve the health of our urban waterways
- support reduction in carbon emissions.

We provide this service through ownership of the assets involved in the service provision, however the day to day service provision is provided via Wellington Water Limited. Wellington Water Limited is a council controlled organisation owned by the six Wellington Councils to run the Water Supply across the Wellington region. The cost of provision is funded by the councils via rates and debt.

Why we do it

By collecting, treating and disposing of wastewater, we provide a service to residents and businesses that protects the physical environment and our community's health. Our population is expected to grow which will put additional pressure of our infrastructure. We are increasing our investment to avoid asset failures, improve environmental outcomes and plan for growth. Planning to renew infrastructure that is reaching the end of its life reduces the risk of service interruptions and minimises maintenance costs.

Significant negative effects and mitigation

The discharges of odours, overflows, and the degradation of watercourses due to overflows, are all potentially significant negative effects. Odour control systems have been fitted to parts of the wastewater infrastructure where odour problems have been experienced. Reports of odour are monitored through Council's Request for Service system and through reports from the wastewater system maintenance and operations contractor.

Areas where overflows have occurred are being progressively upgraded using a combination of measures. Upgrading is carried out through the asset renewal programme, which provides for the replacement of every wastewater pipeline as it reaches the end of its useful life, and through the asset development programme, which reflects long term demand projections for the wastewater system.

Three waters reform

The way that water services are provided is currently being reviewed by central government. The comprehensive water reform process is in its early stages. For further details see section 1.

Key Performance Indicators

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
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	4.2	0	20[4]
Number of complaints per 1000 connections	19	≤ 30	≤ 30
Residents satisfaction with the wastewater service they receive	94%	≥ 95%	≥ 90%[5]
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	86 minutes	≤ 60 minutes	≤ 90 minutes[4]
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	3.8 hours	≤ 6 hours	≤ 8 hours[4]
Compliance with resource consents for discharges from wastewater system	No enforcement action - 100% compliance	No enforcement action - 100% compliance	No enforcement action - 100% compliance

Capital Projects

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to meet additional demand ($000)										
Network Renewals Growth	334	364	341	342	352	392	780	803	826	1,054
Network Upgrades Growth	227	1,078	1,109	162	434	446	96	99	102	104
Trunk Type A Asset Development Growth	32	293	-	-	-	-	-	-	-	-
Trunk DBO Network Cyclic Replacement Growth	492	587	-	-	-	-	123	119	607	1,020
Trunk DBO Asset Replacement Fund Growth	2	2	2	2	2	2	2	2	6	44
Trunk Main Outfall Pipleine Overflow Mitigation Growth	124	390	3,212	1,672	-	-	-	-	-	-
Capital projects to improve level of service ($000)										
Trunk Type B Asset Development	4,272	-	-	-	-	249	2,562	-	-	-
Trunk Main Outfall Pipeline Overflow Mitigation	372	1,169	9,636	5,016	-	-	-	-	-	-
Trunk Type A Asset Development	119	1,103	-	-	-	-	-	-	678	3,482
Network Upgrades	153	876	1,159	815	3,773	3,599	320	33	339	104
Capital Projects To Replace Existing Assets ($000)										
Control Systems Renewals	107	107	41	112	137	139	175	191	218	178
Trunk DBO Asset Replacement Fund	1,465	5,484	6,211	3,324	5,589	5,518	28,089	23,944	2,042	1,802
Trunk DBO Network Cyclic Replacement	7,708	9,189	-	-	-	-	1,926	1,858	9,510	15,972
Trunk Resource Consent Renewals	270	278	457	471	-	-	-	264	814	1,114
Wastewater Modelling	-	56	57	94	392	-	-	-	-	451
Network Renewals	6,744	11,286	8,334	8,894	9,152	9,379	12,220	12,574	12,939	16,509
Pump Station Upgrades	688	926	1,639	2,272	2,322	2,233	1,452	1,495	1,465	891
TOTAL CAPITAL	**23,109**	**33,187**	**32,198**	**23,176**	**22,153**	**21,957**	**47,745**	**41,382**	**29,546**	**42,725**

4 Council has amended performance targets for some of the three waters' performance measures to ensure that these measures are realistic and reflect the current level of service being provided by the Council. The amendment will also ensure a consistent approach to measuring performance across the region for those Councils with three water services managed by Wellington Water.

5 The lower target reflects a change in methodology from a phone survey to an online survey.

Wastewater

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	1,057	1,057	1,088	1,119	1,152	1,185	1,218	1,254	1,290	1,328	1,363
Operating subsidies	2,113	2,231	2,611	2,687	2,765	2,845	2,925	3,010	3,097	3,187	3,273
Operating grants	-	1,060	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	1,060	-	-	-	-	-	-	-	-	-
Development & financial contributions	2,027	466	669	775	998	1,226	1,365	1,421	1,549	1,650	1,721
Vested assets	116	116	120	123	127	130	134	138	142	146	150
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenue	**5,314**	**5,990**	**4,488**	**4,704**	**5,042**	**5,386**	**5,642**	**5,823**	**6,078**	**6,311**	**6,507**
Expenditure ($000)											
Employee costs	-	-	-	-	-	-	-	-	-	-	-
Operating costs	12,204	15,056	16,515	17,288	18,665	18,322	18,822	19,941	20,979	22,037	22,807
Support costs/internal charges	858	471	1,062	1,067	1,093	1,132	1,182	1,183	1,221	1,265	1,262
Interest expenditure	682	1,166	1,053	1,642	2,316	3,040	3,445	3,886	4,370	4,636	4,887
Depreciation	9,117	9,137	9,821	11,486	12,424	13,115	14,630	15,761	17,138	19,232	20,293
Total expenditure	**22,861**	**25,830**	**28,451**	**31,483**	**34,498**	**35,609**	**38,079**	**40,771**	**43,708**	**47,170**	**49,249**
Deficit before Tax	**(17,547)**	**(19,840)**	**(23,963)**	**(26,779)**	**(29,456)**	**(30,223)**	**(32,437)**	**(34,948)**	**(37,630)**	**(40,859)**	**(42,742)**
TOTAL CAPITAL EXPENDITURE	**18,986**	**23,108**	**33,187**	**32,197**	**23,178**	**22,155**	**21,957**	**47,745**	**41,381**	**29,545**	**42,727**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(17,547)	(19,840)	(23,963)	(26,779)	(29,456)	(30,223)	(32,437)	(34,948)	(37,630)	(40,859)	(42,742)
Add capital contributions	(2,027)	(1,526)	(669)	(775)	(998)	(1,226)	(1,365)	(1,421)	(1,549)	(1,650)	(1,721)
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(19,574)**	**(21,366)**	**(24,632)**	**(27,554)**	**(30,454)**	**(31,449)**	**(33,802)**	**(36,369)**	**(39,179)**	**(42,509)**	**(44,463)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	(1,210)	(2,713)	(4,664)	(2,179)	(789)	(840)	(1,001)	(1,022)	(1,541)	(2,222)
Capital to improve level of service	(13,535)	(4,916)	(3,148)	(10,794)	(5,831)	(3,773)	(3,848)	(2,882)	(33)	(1,017)	(3,586)
Capital to replace existing assets	(5,451)	(16,982)	(27,326)	(16,739)	(15,168)	(17,593)	(17,269)	(43,862)	(40,326)	(26,987)	(36,919)
Less capital contributions	2,027	1,526	669	775	998	1,226	1,365	1,421	1,549	1,650	1,721
Less Upper Hutt City Council capital contribution	4,602	3,315	5,520	5,420	2,920	1,350	1,410	8,244	6,512	4,285	7,494
Less depreciation	9,117	9,137	9,821	11,486	12,424	13,115	14,630	15,761	17,138	19,232	20,293
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(3,240)**	**(9,130)**	**(17,177)**	**(14,516)**	**(6,836)**	**(6,464)**	**(4,552)**	**(22,319)**	**(16,182)**	**(4,378)**	**(13,219)**
TOTAL FUNDING REQUIREMENT	**(22,814)**	**(30,496)**	**(41,809)**	**(42,070)**	**(37,290)**	**(37,913)**	**(38,354)**	**(58,688)**	**(55,361)**	**(46,887)**	**(57,682)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

There is no significant overall increase in operating revenue.

Operating Expenditure

Operating expenditure is increasing by $97M, primarily due to an increase in operating maintenance costs of $46M as part of an increase in investment in maintaining the three waters assets. There is also an increase of $44M in depreciation costs due to a recent revaluation of assets and a significant increase in capital expenditure.

Capital

Capital expenditure is increasing by $151M to address renewals of aging assets, support growth impacts, and improve asset performance in focus areas within Wastewater as part of an increase in capital investment across all of the three waters.

Stormwater

Statements of Service Performance
Introduction to objectives, contributions and services

What we do

We provide a stormwater drainage pipe network to manage the surface water run-off as well as flood protection and control. Our objective is to achieve the best possible balance between the level of protection, impact on our environment and the cost to our community. This includes maintaining and upgrading assets to the required service levels. Planned changes and associated investment will improve current levels of service by reducing the probability of asset failure and service disruption. Having taken into account the expert advice we received on our water infrastructure, we are going to significantly increase investment in the city's three waters infrastructure. The increase in funding will allow us to:

- reduce the risk of asset failure and service disruption
- provide infrastructure required for future growth, and relieve stress on existing assets
- support a reduction in water consumption – which will extend the life of some infrastructure
- improve the health of our urban waterways
- support reduction in carbon emissions.

We provide this service through ownership of the assets involved in the service provision however the day to day service provision is provided via Wellington Water Limited. Wellington Water Limited is a council controlled organisation owned by the six Wellington Councils to run the Water Supply across the Wellington region. The cost of provision is funded by the councils via rates and debt.

Why we do it

We need to control stormwater to protect our community's health and safety and minimise property damage from flooding. We need to make sure our community can safely use our waterways and beaches for recreation and food gathering. We are increasing our investment to avoid asset failures, improve environmental outcomes and plan for growth. Planning to renew infrastructure that is reaching the end of its life reduces the risk of service interruptions and minimises maintenance costs.

Significant negative effects and mitigation

The discharge of contaminants in stormwater to watercourses and flooding when the capacity of the stormwater system is exceeded, are potentially significant negative effects. Pollution prevention programmes, road cleaning programmes and debris pits incorporated in the majority of inlets to the stormwater system assist in minimising the entry of contaminants, and are supplemented by our monitoring regime. The stormwater system is designed to standards which reflect the level of risk at different locations and are comparable to design standards in other New Zealand cities. The asset development programme progressively addresses gaps between the current levels of protection and target design standards. We also work with Greater Wellington Regional Council with respect to flooding issues associated with watercourses under Regional Council management.

Three waters reform

The way that water services are provided is currently being reviewed by central government. The comprehensive water reform process is in its early stages. For further details see section 1.

Key Performance Indicators

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
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%	90%	100%
We want to ensure our City has a safe, reliable, quality stormwater system			
Number of flooding events	1	0	2[6]
Number of habitable floors affected by flooding events (per 1000 connections)	0.16	0	0.24[6]
Number of complaints about stormwater system performance (per 1000 connections)	10	≤ 30 per 1000 connections	≤ 20[6]
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	264 minutes	≤ 60 minutes	≤ 8 hours[6]
Residents satisfaction with the City's stormwater system	78%	≥ 73%	≥ 70%[7]
Compliance with resource consents for discharges from stormwater system	1	No enforcement action - 100% compliance	No enforcement action - 100% compliance

Capital Projects

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to meet additional demand ($000)										
Beach Stormwater Outlets Growth	36	-	-	-	-	-	-	-	-	-
Network Upgrades Growth	182	187	57	59	61	62	64	66	68	70
Capital projects to improve level of service ($000)										
Beach Stormwater Outlets	266	-	-	-	-	-	-	-	-	-
Network Upgrades	1,850	1,335	141	734	2,422	3,734	640	2,636	4,068	696
Stormwater consenting project	297	167	57	-	-	-	-	-	-	-
Capital projects to replace existing assets ($000)										
Control Systems Renewals	24	23	27	71	88	87	105	117	135	107
Stormwater Network Modelling	454	467	480	-	-	-	192	198	203	-
Network Renewals	162	167	342	1,881	1,935	1,989	4,991	5,136	5,285	8,259
Pump Station Reactive Renewals	580	1,770	1,875	553	569	647	1,319	1,357	1,264	33
TOTAL CAPITAL	**3,851**	**4,116**	**2,979**	**3,298**	**5,075**	**6,519**	**7,311**	**9,510**	**11,023**	**9,165**

6 Council has amended performance targets for some of the three waters' performance measures to ensure that these measures are realistic and reflect the current level of service being provided by the Council. The amendment will also ensure a consistent approach to measuring performance across the region for those Councils with three water services managed by Wellington Water.

7 The lower target reflects a change in methodology from a phone survey to an online survey.

Stormwater

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	12	12	12	12	13	13	14	14	14	15	15
Operating subsidies	8	8	9	9	9	10	10	10	10	11	11
Operating grants	-	530	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	530	-	-	-	-	-	-	-	-	-
Development & financial contributions	250	87	108	119	150	180	197	207	239	261	277
Vested assets	116	116	120	123	127	130	134	138	142	146	150
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	-	-	-	-	-	-	-	-	-
Total revenue	**386**	**1,283**	**249**	**263**	**299**	**333**	**355**	**369**	**405**	**433**	**453**
Expenditure ($000)											
Employee costs	-	-	-	-	-	-	-	-	-	-	-
Operating costs	4,230	5,457	5,105	5,025	5,950	5,900	6,001	5,952	6,672	6,778	6,559
Support costs/internal charges	243	979	335	332	344	355	374	373	381	396	393
Interest expenditure	311	409	305	394	491	599	645	698	790	898	1,001
Depreciation	4,984	4,914	4,685	5,048	5,150	5,335	5,832	6,013	6,237	6,821	7,066
Total expenditure	**9,768**	**11,759**	**10,430**	**10,799**	**11,935**	**12,189**	**12,852**	**13,036**	**14,080**	**14,893**	**15,019**
Deficit before Tax	**(9,382)**	**(10,476)**	**(10,181)**	**(10,536)**	**(11,636)**	**(11,856)**	**(12,497)**	**(12,667)**	**(13,675)**	**(14,460)**	**(14,566)**
TOTAL CAPITAL EXPENDITURE	**6,276**	**3,851**	**4,116**	**2,980**	**3,297**	**5,075**	**6,520**	**7,311**	**9,511**	**11,024**	**9,166**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(9,382)	(10,476)	(10,181)	(10,536)	(11,636)	(11,856)	(12,497)	(12,667)	(13,675)	(14,460)	(14,566)
Add capital contributions	(250)	(617)	(108)	(119)	(150)	(180)	(197)	(207)	(239)	(261)	(277)
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(9,632)**	**(11,093)**	**(10,289)**	**(10,655)**	**(11,786)**	**(12,036)**	**(12,694)**	**(12,874)**	**(13,914)**	**(14,721)**	**(14,843)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	(218)	(187)	(57)	(59)	(61)	(62)	(64)	(66)	(68)	(70)
Capital to improve level of service	(4,668)	(2,414)	(1,502)	(198)	(734)	(2,422)	(3,734)	(640)	(2,636)	(4,068)	(696)
Capital to replace existing assets	(1,608)	(1,219)	(2,427)	(2,725)	(2,504)	(2,592)	(2,724)	(6,607)	(6,809)	(6,888)	(8,400)
Less capital contributions	250	617	108	119	150	180	197	207	239	261	277
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	4,984	4,914	4,685	5,048	5,150	5,335	5,832	6,013	6,237	6,821	7,066
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(1,042)**	**1,680**	**677**	**2,187**	**2,003**	**440**	**(491)**	**(1,091)**	**(3,035)**	**(3,942)**	**(1,823)**
TOTAL FUNDING REQUIREMENT	**(10,674)**	**(9,413)**	**(9,612)**	**(8,468)**	**(9,783)**	**(11,596)**	**(13,185)**	**(13,965)**	**(16,949)**	**(18,663)**	**(16,666)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

There is no significant overall increase in operating revenue.

Operating Expenditure

Operating expenditure is increasing by $22M, primarily due to an increase in operating maintenance of $14M as part of an increase in investment in maintaining the three waters assets. There is also an increase of $9M in depreciation costs, due to a recent revaluation of assets and a significant increase in capital expenditure.

Capital

Capital expenditure is increasing by $22M to address renewals of aging assets, support growth impacts, and improve asset performance in focus areas within Storm Water as part of an increase in capital investment across all of the three waters.

Solid waste

Statements of Service Performance
Introduction to objectives, contributions and services

What we do

We are focused on waste minimisation and reducing the Council's and City's carbon footprint. We also own and operate the Silverstream landfill at which people and businesses can dispose of residual waste. We will be focusing on reducing the amount of waste put into the landfill to increase its longevity and protect ratepayers' investment. We maximize the destruction of methane via a power plant and a supplementary flare at Silverstream landfill.

Council has introduced a new weekly kerbside rubbish and fortnightly recycling collection service, paid for through targeted rates, from 1 July 2021. A new green waste collection service is also available to households that opt in to receive the service.

We also want to consider ways to reduce the amount of waste going to landfill in the first place. This includes looking at opportunities for recovering construction and demolition waste. New infrastructure contracts, where possible, will include clauses requiring the consideration of sustainability standards e.g. GreenStar Building Rating and Infrastructure Sustainability Rating.[8]

Why we do it

Solid waste management is necessary for the health and quality of life of the community, the local economy and the environment. The solid waste activity promotes environmental wellbeing by contributing primarily to the wellbeing outcomes of healthy people and a healthy natural environment.

Council wishes to promote recycling and waste reduction and to provide for the disposal of the city's solid waste through the new kerbside rubbish, recycling and green waste services. The new rubbish and recycling services are expected to reduce waste entering the environment and reduce emissions by having fewer trucks on the road.

Significant negative effects and mitigation

Environmental effects caused through failure to comply with resource consent conditions is a possible risk that is addressed through our management techniques and best practice standards. Failure to provide effective recycling and refuse collection services could lead to more littering. Some sustainability practices such as the drive to reduce waste and introduce modern waste management practices may for some seem expensive, time consuming and an infringement on personal freedoms. These effects are mitigated through working collaboratively with communities to develop and agree approaches to sustainability.

Key Performance Indicators

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
We are working to minimize the harmful effects of refuse			
No resource consent-related infringement notices received from Greater Wellington Regional Council	0 notices - 100% compliance	0 notices - 100% compliance	0 notices - 100% compliance
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	Not available	Not applicable	Previous year less 10%
We are looking at ways to reduce the amount of waste going to landfill			
Tonnes of waste to landfill (per person)	Not available	Not applicable	Less than previous year
Percentage of kerbside recycling that is contaminated and diverted to landfill	Not available	Not applicable	≤ 10%
Tonnes of kerbside recycling collected	7,025	Increasing	Previous year plus 2%
Resident satisfaction with Council's kerbside rubbish collection	94%	≥ 93%	≥ 90%
Resident satisfaction with Council's kerbside recycling collection	81%	≥ 86%	≥ 90%
Resident satisfaction with Council's kerbside green waste collection	Not available	Not applicable	≥ 90%
Overall resident satisfaction with Council's waste collection services	87%	≥ 85%	≥ 85%

Capital Projects

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to improve level of service ($000)										
Cleanfill Site Development	5	5	5	5	6	-	-	-	-	-
Silverstream Landfill Development	1,730	4,301	964	5,066	3,005	3,561	8,918	3,844	502	3,998
Silverstream Landfill Asbestos Cell	100	1,029	1,588	-	-	-	1,779	-	-	-
Sivlerstream Landfill Transfer Station	700	2,367	-	-	-	-	-	-	-	-
TOTAL CAPITAL	**2,535**	**7,702**	**2,557**	**5,071**	**3,011**	**3,561**	**10,697**	**3,844**	**502**	**3,998**

8 See Transport section for the measure relating to infrastructure contracts.

Solid Waste

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	15,155	19,888	21,188	29,346	32,227	34,206	35,880	37,656	39,506	42,212	44,152
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	5	-	-	-	-	-	-	-	-	-	-
Total revenue	**15,160**	**19,888**	**21,188**	**29,346**	**32,227**	**34,206**	**35,880**	**37,656**	**39,506**	**42,212**	**44,152**
Expenditure ($000)											
Employee costs	69	381	400	412	424	436	449	462	475	489	502
Operating costs	8,839	18,364	20,289	25,472	27,926	28,998	30,150	31,266	32,483	33,807	34,983
Support costs/internal charges	368	804	864	862	884	911	957	951	981	1,016	1,012
Interest expenditure	656	512	655	773	900	1,000	1,029	1,102	1,150	1,161	1,151
Depreciation	1,051	1,647	1,769	1,824	1,849	1,917	1,966	2,139	2,315	2,365	2,415
Total expenditure	**10,983**	**21,708**	**23,977**	**29,343**	**31,983**	**33,262**	**34,551**	**35,920**	**37,404**	**38,838**	**40,063**
Deficit before Tax	4,177	(1,820)	(2,789)	3	244	944	1,329	1,736	2,102	3,374	4,089
TOTAL CAPITAL EXPENDITURE	**4,404**	**2,535**	**7,702**	**2,557**	**5,072**	**3,010**	**3,561**	**10,697**	**3,844**	**502**	**3,998**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	4,177	(1,820)	(2,789)	3	244	944	1,329	1,736	2,102	3,374	4,089
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	(5,514)	(7,858)	(7,256)	(10,427)	(11,065)	(12,178)	(12,978)	(13,826)	(14,649)	(16,399)	(17,589)
Total rates funding requirement	**(1,337)**	**(9,678)**	**(10,045)**	**(10,424)**	**(10,821)**	**(11,234)**	**(11,649)**	**(12,090)**	**(12,547)**	**(13,025)**	**(13,500)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(4,404)	(2,535)	(7,702)	(2,557)	(5,072)	(3,010)	(3,561)	(10,697)	(3,844)	(502)	(3,998)
Capital to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	1,051	1,647	1,769	1,824	1,849	1,917	1,966	2,139	2,315	2,365	2,415
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	5,514	7,858	7,256	10,427	11,065	12,178	12,978	13,826	14,649	16,399	17,589
Total loan (funding)/repayment	**2,161**	**6,970**	**1,323**	**9,694**	**7,842**	**11,085**	**11,383**	**5,268**	**13,120**	**18,262**	**16,006**
TOTAL FUNDING REQUIREMENT	**824**	**(2,708)**	**(8,722)**	**(730)**	**(2,979)**	**(149)**	**(266)**	**(6,822)**	**573**	**5,237**	**2,506**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by approximately $167M, primarily due to higher landfill revenue as a result of increased fees and expected increased volumes offset by reduced revenue of $12M from sale of refuse bags.

Operating Expenditure

Operating expenditure is increasing by approximately $216M due to higher operating costs at the landfills, including approximately $81M due to increases in carbon credit purchase and higher Ministry for the Environment levies. There are also higher costs of approximately $91M as a result of the new refuse, recycling, and green waste collection arrangements.

Capital

There is an increase in capital expenditure of $16M due to extra funding for Silverstream Landfill development of $8M, a new Asbestos cell of $5M and Transfer Station of $3M.

Sustainability & Resilience

The Sustainability and Resilience group focuses on the opportunities and risks we face in regard to our environment and emergency management. It looks for strategies to address potential issues, and provides short-term, mid-term and long-term solutions for change.

We must do better to look after our natural environment and to reduce our carbon footprint. We want to make our city more resilient to natural hazards and climate change risks such as sea level rise, flooding and earthquakes. Our investment in three waters and transport infrastructure is crucial in terms of creating a city that is more sustainable and resilient to the impacts of climate change. Through other activity areas we are also investing $7M in decarbonising all our council buildings and facilities, by changing from natural gas heating to lower-carbon options, by 2030.

Statements of Service Performance
Introduction to services

Activity: Climate change

What we do

In June 2019 we declared a climate emergency, reflecting the need to raise awareness about climate change and to prioritise reducing council and city-wide emissions to net zero carbon. To contribute to this goal, Council has increased the number of EVs in our vehicle fleet and reduced the number of vehicles we run overall. We're installing EV charging stations across our city and ensuring that any new builds that are in the planning stages, for example Naenae Pool, use sustainable energy.

We adopted an Energy and Carbon Reduction Plan 2020 to 2024 in March 2020 that sets targets for improving energy efficiency and reducing carbon emissions. We have established a Climate Change and Sustainability Committee to oversee Council's overall environment and climate change response.

We are ensuring our transport system provides connections between neighbourhoods, jobs and services with an emphasis on active modes for shorter trips.

Why we do it

We need to do more to look after our natural environment and to reduce our carbon footprint. Our work on climate change will contribute to our city achieving environmental outcomes associated with sustainable living and resilience. We want our city to be resilient to natural hazards and climate change risks. We also need to increase the resilience of our assets – Wellington Water's work on the renewal of the sewer along the Esplanade is critical to protecting a vital part of our wastewater infrastructure in an area that is at risk of sea level rise.

Activity: Biodiversity

What we do

We protect and enhance indigenous biodiversity in Te Awa Kairangi Lower Hutt by working alongside community groups and landowners, and managing and restoring habitats in Lower Hutt bush reserves. Our programmes include: planting of indigenous plants, pest plant programme, pest tree programme, Percy's Scenic Reserve ex-situ conservation collection, indigenous biodiversity fund, and predator free Hutt Valley. Our investment in three waters infrastructure is also targeted at improving our urban waterways. Alongside these, we strive to integrate the protection of indigenous biodiversity in spatial plans and neighbourhood development. We aim to mitigate the threats to indigenous biodiversity such as climate change, land use intensification, predators and invasive pests.

Why we do it

Protecting biodiversity is essential for the health and wellbeing of our natural and semi-natural environment, including ecosystems, flora and fauna and open space is central to the wellbeing of our environment. It helps us to reduce negative outcomes such as air and water pollution. Protecting and enhancing indigenous biodiversity contributes to making our city a vibrant and attractive place for locals and encourages visitors who come to the city to enjoy the high quality tracks, beaches and reserves.

Significant negative effects and mitigation

At times the need to protect our biodiversity can impact on property owners in terms of how they can develop and/or use their land. Council mitigates this by working closely with land owners to develop mutual understanding and agreement in management options.

Activity: Emergency management

What we do

The Emergency Management team provides local capability to manage an effective response to emergencies and continue to develop, implement and monitor city wide emergency management plans, input to all regional plans and strategies, and promote community preparedness for emergencies.

Local emergency management is supported by the Wellington Region Emergency Management Office (WREMO) which provides training, advice and resource to the Emergency Management Office. At a local level, there is a community resilience team that coordinates the reduction, readiness, and response in the community with programmes such as community response plans, community hub guides, and business continuity planning. Hutt City Council has joined with all city and district councils in the region to form a Civil Defence Emergency Management (CDEM) Group under the CDEM Act of 2002.

Why we do it

The Civil Defence Emergency Management Act 2002 requires local authorities to plan and provide for civil defence emergency management within its district, and to be able to function to the fullest possible extent during and after an emergency. Every local authority must be a member of a CDEM Group that has functions relating to relevant hazards and risks, and a range of activities. The desired outcome is for a resilient and prepared city and community, it is therefore important to not only have emergency management plans for our community, but also ensure they are regularly reviewed and kept up to date.

Significant negative effects and mitigation

Emergency management response and recovery activities may also have a temporary adverse effect on community and environmental wellbeing while social systems and infrastructure are being rebuilt following an emergency event. An ineffective, under-performing emergency management response has the potential to cause catastrophic and/or long lasting negative effects on all four wellbeings. Meeting the requirements of the Civil Defence and Emergency Management Act 2002 and coordinated regional planning, programmes and activities, provides for the integration of national and local emergency management planning and activity.

Sustainability & Resilience

Key Performance Indicators

KPIs and targets for LTP	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
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	Not available	Not applicable	30% reduction by 2024 50% reduction by 2030[10]
Percentage of Council owned vehicle fleet that is electric	19%	19%	25% in 2021-22 100% by 2031[11]
Emissions from Council owned fossil fuel vehicles	Not available	Not applicable	20% reduction in 2021-22 Zero emissions by 2031[12]
Our city is prepared for an emergency and can respond appropriately			
Percentage of Community Resilience Plans that are more than 24 months old	Not available	Not applicable	0% (none)

Capital Projects

Capital projects to improve level of service ($000)	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Electric Vehicle Charge Stations	370	381	-	-	-	-	-	-	-	-
TOTAL CAPITAL	**370**	**381**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Operating projects >$250K per year

($000)	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Waste Minimisation Projects	510	493	507	522	537	552	568	585	601	618
Climate Change Community Engagements	300	180	185	163	224	231	237	244	251	258
TOTAL	**810**	**673**	**692**	**685**	**761**	**783**	**805**	**829**	**852**	**876**

10 This target is based on the baseline data from 2016/17 and equates to a reduction of 297 tCO_2 each year from 2021-22 to 2023-24, then a reduction of 85 tCO_2 per annum each year to 2030-31.

11 This target equates to a 6 per cent increase in 2021-22 and an 8 per cent increase each year from 2022-23 to 2030-31.

12 This target is based on the baseline data from 2016/17 and equates to a reduction of 48 tCO_2 by 2021-22 and a further reduction of 21 tCO_2 each year from 2022-23 to 2030-31.

Sustainibility & Resilience

Prospective Statement of Comprehensive Revenue and Expense	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	-	75	95	119	149	187	231	238	245	252	259
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	53	150	278	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	415	670	690	710	730	751	772	795	818	842	864
Total revenue	**468**	**895**	**1,063**	**829**	**879**	**938**	**1,003**	**1,033**	**1,063**	**1,094**	**1,123**
Expenditure ($000)											
Employee costs	330	346	363	374	385	396	407	419	431	444	456
Operating costs	1,463	1,638	1,522	1,570	1,592	1,701	1,755	1,806	1,859	1,914	1,966
Support costs/internal charges	352	498	561	531	578	554	626	596	608	614	638
Interest expenditure	6	6	13	18	25	29	27	25	20	16	11
Depreciation	33	15	15	15	15	15	16	16	14	14	14
Total expenditure	**2,184**	**2,503**	**2,474**	**2,508**	**2,595**	**2,695**	**2,831**	**2,862**	**2,932**	**3,002**	**3,085**
Deficit before Tax	(1,716)	(1,608)	(1,411)	(1,679)	(1,716)	(1,757)	(1,828)	(1,829)	(1,869)	(1,908)	(1,962)
TOTAL CAPITAL EXPENDITURE	**360**	**370**	**381**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Prospective Funding Requirement	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(1,716)	(1,608)	(1,411)	(1,679)	(1,716)	(1,757)	(1,828)	(1,829)	(1,869)	(1,908)	(1,962)
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(1,716)**	**(1,608)**	**(1,411)**	**(1,679)**	**(1,716)**	**(1,757)**	**(1,828)**	**(1,829)**	**(1,869)**	**(1,908)**	**(1,962)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(250)	(370)	(381)	-	-	-	-	-	-	-	-
Capital to replace existing assets	(110)	-	-	-	-	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	33	15	15	15	15	15	16	16	14	14	14
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(327)**	**(355)**	**(366)**	**15**	**15**	**15**	**16**	**16**	**14**	**14**	**14**
TOTAL FUNDING REQUIREMENT	**(2,043)**	**(1,963)**	**(1,777)**	**(1,664)**	**(1,701)**	**(1,742)**	**(1,812)**	**(1,813)**	**(1,855)**	**(1,894)**	**(1,948)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by $5M, primarily due to higher Government funding of $3M from the Waste Minimisation Levy and a further $2M of revenue from EV charging stations.

Operating Expenditure

Operating expenditure is increasing by $9M, primarily due to additional funding for Waste Minimisation projects of $3M Climate Change ongoing community engagement of $2M and higher support costs of $4M.

Capital

There is no significant increase in capital expenditure.

Regulatory Services

This activity is fundamental to achieving a clean, healthy, attractive, safe and sustainable environment for residents and visitors. It is also a legal requirement for Hutt City Council. The group is included under Environmental Wellbeing, however the Building and Resource Consents activities also contributes to economic wellbeing and those of Animal Control to social wellbeing.

Statements of Service Performance
Introduction to services

Activity: Building consents and resource consents

What we do

These teams are responsible for the regulatory and compliance functions for building work in Te Awa Kairangi Lower Hutt, for general advice to the public on consenting matters, for co-ordinating LIM applications for Council and for advice on environmentally sustainable residential design and products.

Why we do it

Through this activity we can contribute to, and promote, a safe, healthy and attractive built environment. It enables the continued supply of new housing contributing to an increased housing stock and housing affordability.

Significant negative effects and mitigation

Perceptions of personal freedom can be reduced because of the need for regulatory activities that benefit the wider community. They can be interpreted as a barrier causing costs and delays.

Activity: Environmental Health

What we do

The Trade Waste team exists to protect public health in areas of sewage, stormwater and chemical hazards. It registers all commercial properties that discharge liquid waste and charges the users of the system to cover the cost of conveying, treating and disposing of their waste.
We audit 690 known trade waste discharges to the sewerage system in the Hutt Valley, and manage overland storm water and sewerage inspections.

Why we do it

We want a safe community and healthy people. We aim to protect the environment by ensuring wastewater and stormwater comply with the relevant legislation.

Significant negative effects and mitigation

Perceptions of personal freedom can be reduced because of the need for regulatory activities that benefit the wider community. They can be interpreted as a barrier causing costs and delays.

Activity: Animal control

What we do

The Animal Services team is responsible for the monitoring and enforcement of regulations under the Dog Control Act 1996 so that residents are safe, annoyance factors are minimised, and the welfare of animals is protected.

Why we do it

It is a legal requirement to manage dog control activities within the Council's jurisdiction. We want to achieve a safe community and healthy people through: the administration of dog registrations; the management of safety and nuisance factors around dogs and other animals, and; the education of our community about animals and their care.

Significant negative effects and mitigation

Perceptions of personal freedom can be reduced because of the need for regulatory activities that benefit the wider community. They can be interpreted as a barrier causing costs and delays.

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
We need to ensure that new housing is safe and meets standards without delaying the process			
Building consents issued within the statutory timeframe	100%	100% within 20 days	100% within 20 days
Code of compliance certificates issued within the statutory timeframe	88%	100% within 20 days	100% within 20 days
Non-notified resource consents issued within the statutory timeframe	97%	100% within 20 days	100% within 20 days
We want a community where everyone feels safe			
Existing food premises verified within time frames	79%	95% by due date	95% by due date
Sale and supply of liquor (high risk premises) inspected	87%	95% of premises checked	95% of premises checked
Noise control (excessive noise) complaints (%) investigated within 45 minutes	69%	≥ 85%	≥ 85%
Percentage of dog attack responded to within 30 minutes	95%	95%	≥ 95%

Regulatory Services

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	7,652	8,716	7,015	7,250	7,427	7,676	7,857	8,120	8,319	8,598	8,792
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	1,172	1,175	1,211	1,248	1,290	1,326	1,365	1,411	1,451	1,495	1,542
Total revenue	**8,824**	**9,891**	**8,226**	**8,498**	**8,717**	**9,002**	**9,222**	**9,531**	**9,770**	**10,093**	**10,334**
Expenditure ($000)											
Employee costs	6,202	6,743	6,800	6,997	7,201	7,411	7,619	7,841	8,069	8,304	8,529
Operating costs	1,867	1,861	1,799	1,874	1,899	1,983	2,009	2,097	2,128	2,447	2,248
Support costs/internal charges	3,846	3,381	3,609	3,562	3,820	3,951	4,212	4,182	4,145	4,313	4,218
Interest expenditure	8	9	14	16	17	19	15	12	9	7	5
Depreciation	44	100	97	83	82	81	82	79	76	78	52
Total expenditure	**11,967**	**12,094**	**12,319**	**12,532**	**13,019**	**13,445**	**13,937**	**14,211**	**14,427**	**15,149**	**15,052**
Deficit before Tax	(3,143)	(2,203)	(4,093)	(4,034)	(4,302)	(4,443)	(4,715)	(4,680)	(4,657)	(5,056)	(4,718)
TOTAL CAPITAL EXPENDITURE	**559**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(3,143)	(2,203)	(4,093)	(4,034)	(4,302)	(4,443)	(4,715)	(4,680)	(4,657)	(5,056)	(4,718)
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(3,143)**	**(2,203)**	**(4,093)**	**(4,034)**	**(4,302)**	**(4,443)**	**(4,715)**	**(4,680)**	**(4,657)**	**(5,056)**	**(4,718)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(559)	-	-	-	-	-	-	-	-	-	-
Capital to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	44	100	97	83	82	81	82	79	76	78	52
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(515)**	**100**	**97**	**83**	**82**	**81**	**82**	**79**	**76**	**78**	**52**
TOTAL FUNDING REQUIREMENT	**(3,658)**	**(2,103)**	**(3,996)**	**(3,951)**	**(4,220)**	**(4,362)**	**(4,633)**	**(4,601)**	**(4,581)**	**(4,978)**	**(4,666)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by $14M, primarily due to increases in consents revenue of $10M and licence fee revenue of $4M.

Operating Expenditure

Operating expenditure is increasing by $14M primarily due an increase in support costs of $7M plus additional employee costs of $3M and specialist service cost $3M to manage the higher level of consents.

Capital

There is no capital expenditure.

Setting the scene for
Te Awa Kairangi Lower Hutt

Lower Hutt Economic Wellbeing

Economic wellbeing covers all aspects of present and future financial security. It includes the ability of individuals, families, and communities to consistently meet their basic needs (including food, housing, utilities, health care), and have control over their day-to-day finances. It includes the aspects that enable people to be actively involved in the economy (that is; availability of transport and childcare, participation in education, and access to financial support).

The outcome measures illustrated give us an insight into how our city is doing in areas relating to economic wellbeing. These outcome measures cannot be controlled by Council[13]; there are many influences outside of Council that will contribute to these measures moving in a positive or negative direction over time. However, some of Council's projects are aimed at having an impact on these city outcomes, for example, the percent of our community who have access to the internet will be influenced by providing free Wi-Fi in our community hubs and libraries.

13 These are long term outcome indicators that we do not intend to report on each year.

GDP (March 2021)

$6,460M

Consumer Spending (Year end March 2021)

$1,345M

Income

Median annual individual income (Census 2018)

$34,700

Annual individual income by income group (census 2018)

Income group	%	Income group	%
$20,000 or less	32%	$60,001 - $100,000	17%
$20,001 - $40,000	23%	$100,001 - $150,000	6%
$40,001 - $60,000	18%	$150,001 or more	3%

Unemployment rate (March 2021)

4.2%

NEET rate (Year end March 2021)

(Youth not in employment, education or training)

9.8% (15-19 year olds)

9.0% (20-24 year olds)

Number of Jobseeker supplement recipients (March 2021)

5,054

Number of businesses (June 2020)

10,881

Communication Access (Census 2018)

Access to cell phone /mobile phone

93%

Access to internet

87%

No access to telecommunication systems

1%

Average house value (March 2021)

$856,569

Average rent (March 2021)

$512

Housing Affordability

(average house value to average household income - March 2021)

6.7

Rental Affordability

(average rent to average household income March 2021)

20.1

Number of households on Housing Register (March 2021)

573

Ability to cover every day needs

45% not enough or just enough

55% enough or more than enough (Quality of Life 2020)

Key performance indicators

The Key Performance Indicators (KPIs) measure performance (what we do) and link to the outcomes we are trying to achieve for the city (why we are doing it) and were developed with service delivery managers to ensure that the KPIs:

- align with Council's six key priorities
- are central to improving performance, that is, they can be used by managers at least quarterly to inform decision making and make service/performance improvements to respond to results
- are directly controllable by Council and measure the outcomes that we can directly influence
- are measurable and can be measured at least quarterly.

The activities measured by these KPIs are those that Council is highly likely to deliver in the long term and those that lend themselves most directly to ensuring clear alignment can be made between the KPIs measuring performance (what we do) and the outcomes we are trying to achieve for the city (why we are doing it).

The Residents Satisfaction Survey results are used to measure the quality of the services and facilities Council provides. To date this survey has been conducted over the phone; from July 2021 the survey will be an online survey. It is likely that this change in methodology will negatively affect the results; therefore the targets for these measures have been reviewed to reflect this change.

Transport

The Transport group manages programmes of work required to maintain, operate and renew our transport system.

We are investing in the Cross Valley Transport Connections project to ease access in and out of our city and ease pressure on current access points like Petone Esplanade as well as supporting public transport options and micromobility. We are working on measures and investing in active transport modes and micromobility to encourage our community to get out of cars and walk, cycle or use other micromobility modes of transport. In particular we are developing local connections that link the core routes with key employment, education, and transport hubs to encourage greater use of active modes; this includes the Eastern Bays Shared Path.

We need a transport system that enables our community to be connected, and our businesses to be efficient and that is above all safe for our community. We want to ensure that all roads users have their needs met and that they can get around our city efficiently and safely. We want walkers, cyclists and people using micromobility modes of transport (such as electric scooters, electric bikes or skateboards) to get around our city easily and safely.

Statements of Service Performance
Introduction to services

Activity: Road Assets

What we do

We look after the operation and renewal of the road assets, including road pavements and surfacing, structures (bridges, retaining walls, and seawalls), footpaths and drainage assets. We manage our assets through a renewal programme which includes condition rating assessment, deterioration modelling, age and traffic volume, loading considerations and physical inspection.

Why we do it

Having the road corridor in public ownership ensures that all our residents have appropriate access to property and freedom of travel throughout Te Awa Kairangi Lower Hutt. Our work provides a safe, resilient and efficient transport system which supports the economy and connects our communities. By providing an appropriate level of service we reduce the number and severity of accidents on our transport infrastructure.

Significant negative effects and mitigation

The potential environmental effects of growing transport demand include: increased water runoff pollution from roads, particulates from the exhausts of heavy road vehicles, air pollutants from road transport, traffic noise and vibration, congestion on strategic and arterial routes, loss of productive and recreational land taken for transport infrastructure, and public health risks associated with traffic accidents.

Transport planning considers and includes actions to mitigate these adverse effects. Crash reduction studies and remedial work are carried out on areas that experience a high number of crashes. Works are undertaken every year to minimise traffic delays and, as a result, air pollution. We are actively promoting alternative means of transport.

Activity: Traffic Assets

What we do

We manage the operation and renewal of traffic assets on the city's transport system. In general, this includes assets within the road corridor and on or above the road surface such as signs and markings, traffic signals, safety barriers, parking meters, streetlights etc. Works programmes are formulated through best asset management practices and are in response to evidence-based requests for improvements.

We aim to optimise whole of life costs while providing the appropriate level of service. Traffic asset renewal is strategically aligned with national, regional and city objectives.

Why we do it

Traffic assets ensure people and vehicles can travel efficiently and safely. We want to provide a safe, resilient and efficient transport system that supports the economic and social aspirations of the city. By providing an appropriate level of service we reduce the number and severity of accidents on our transport infrastructure.

Activity: Roading Maintenance & Infrastructure contracts

What we do

We undertake street and amenity cleaning, vegetation control, maintenance of road signs, road marking, graffiti, street lighting, repair and maintenance of all existing roads, footpaths and associated assets. This includes all assets on road reserves that serve a purpose for our community.

We carry out operations using maintenance contracts that cover a range of technical expertise procured by open tender. When a contract is signed we develop and manage best practice partnerships with contractors to achieve desired outcomes for Waka Kotahi and Council. These outcomes will be shaped by COVID-19 impacts, in particular supporting local businesses and creating local employment and training opportunities.

Why we do it

Roads, footpaths and access ways are an essential service and lifeline for our community. They require high levels of service with a user friendly network to ensure the safety of pedestrians and road users. Our aim is to have quality and accessible assets maintained and cleaned to a high standard to support connectedness and minimise injury and accidents.

Activity: Road safety services

What we do

We manage road safety programmes and interventions to improve the road safety performance across the Te Awa Kairangi Lower Hutt transport system. Safety issues are identified via a number of methods including statistical analysis, direct reporting and risk assessments.

Why we do it

Programmes and interventions are designed to eliminate risk and/or mitigate the consequence of events to improve safety.

Activity: Parking enforcement services

What we do

We ensure the safety and convenience of the community in and around Te Awa Kairangi Lower Hutt by enforcing parking regulations and vehicle standard regulations. This ensures all drivers of vehicles have equal opportunity to use parking facilities in Te Awa Kairangi Lower Hutt.

We respond to requests from the public regarding safety, inconvenience and nuisance problems that involve stationary vehicles. We aim to protect the safety of all Lower Hutt residents and have special focus on safety around schools.

Why we do it

The Land Transport Act 1998 delegates the responsibility of enforcement of stationary vehicle offences to Territorial Authorities. Parking enforcement and education will contribute to a safe community and ensure fair and equitable access for vehicle owners.

Activity: Active modes

What we do

We are focused on improving community connectedness and the travel options people can use safely and easily. We manage the Cycleway/Shared Path and Connectivity projects for Te Awa Kairangi Lower Hutt. We also improve accessibility infrastructure for vulnerable and mobility-impaired transport users.

We are working on strengthening our active transport connections, including routes to Waterloo Station and from the Beltway Cycleway to schools and Hutt Hospital.

Why we do it

We need to maintain accessibility for our vulnerable and mobility-impaired transport users and enable our community to increase their use of active and more sustainable alternative modes of transport. The Cycleway/Shared Path projects align with national, regional and city priorities and objectives and will provide an increased level of service for walking, cycling and micromobility.

Transport

Key Performance Indicators

KPIs and targets for LTP	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
We need to be able to travel along key routes efficiently			
Travel time on key routes[14]	Not available	Not applicable	Average travel time is within 10% of the expected average travel time
Travel time reliability[15] (Buffer time index)[16]	Not available	Not applicable	≤ 20%
Our transport system is safe to travel on			
Road condition index which measures the condition of the road surface[17]	3.2	Hold or improve rating	Hold or improve rating
The average quality of ride on a sealed local road network, measured by smooth travel exposure	81%	Hold or improve rating	Hold or improve rating
Percentage of sealed local road network that is resurfaced annually	3.5%	8% (long term target)	≥ 4%[18]
The number of fatalities and serious injury crashes on the local road network in the previous calendar year	184	Contribute to a reducing trend over 10 years	Number (previous year less 1%)
Road risk rating - Percentage that have a high/high rating[19]	Not available	Not applicable	≤ 5%
Resident satisfaction with the condition of their local roads	91%	≥ 92%	≥ 80%[20]
Percentage of footpaths that fall within the service standard for footpath condition	98%	> 98%	> 98%
Percentage of customer service requests relating to roads and footpaths which are responded to within the specified timeframe	95%	> 94% within timeframe specified in LTP	> 94% responded to within 48 hours
Resident satisfaction with footpath condition	83%	≥ 82%	≥ 80%[20]
Resident satisfaction with on road cycleway condition	Not available	Not applicable	≥ 80%
Resident satisfaction with shared path condition	Not available	Not applicable	≥ 80%
We are working to strengthen our active transport network			
Length of cycleways[21]	Not available	Not applicable	Length of proposed & budgeted cycleway build for year
Length of shared paths	Not available	Not applicable	Length of proposed & budgeted shared path build for year
Infrastructure contracts managed by Council contribute to social outcomes			
Audit of contracts – percentage of contracts audited	Not available	Not applicable	≥ 90% meet standards as per contract
Audit of contracts – percentage of contracts meeting contractual obligations	Not available	Not applicable	≥ 90% meet standards as per contract
Our parking enables access to services and businesses			
Percentage of safety issues that are responded to within 30 minutes	Not available	Not applicable	> 90%
Resident satisfaction with the availability of car parking to access services and facilities (does not include access to residences)	Not available	Not applicable	≥ 75%

Operating projects >$250K per year

($000)	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rapid Response Anti-Graffiti Service	214	220	227	233	240	247	254	261	269	276
TOTAL	**214**	**220**	**227**	**233**	**240**	**247**	**254**	**261**	**269**	**276**

14 Key routes included are: High Street, Petone-Seaview, Petone-Woburn, State Highway 2, Petone-Kelson, Harcourt Werry Drive, and Cambridge Terrace
15 Travel time reliability is the consistency or dependability in travel times, as measured from day-to-day and/or across different times of the day.
16 Buffer time is the additional time for unexpected delays that commuters should consider with average travel time to be on-time 85 per cent of the time. The Buffer Index is expressed as a percentage.
17 A lower number indicates an improved rating
18 The previous 8 per cent target reflected the national 12-year average life of a road in New Zealand. However, resurfacing is undertaken on an 'as needed' basis. Roads in Te Awa Kairangi Lower Hutt are, apart from SH2, lower use roads and need resurfacing less frequently than the national average.
19 The road risk rating relates to two different measures of risk: collective risk and personal risk. A road with a high / high rating has a high level of both collective and personal risk. The levels are determined by Waka Kotahi.
20 The lower target reflects a change in methodology for the residents satisfaction survey
21 Includes "cycle lanes", "cycle-only paths" and "separated cycleways" as defined by Waka Kotahi

Transport

Capital Projects

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to meet additional demand ($000)										
Cross Valley Transport Connections - Growth	50	58	1,800	1,448	933	590	1,423	4,831	6,677	8,765
Cycleway/Shared Path Beltway Growth	10	-	-	-	-	-	-	-	-	-
Cycling Micromobility Programme Growth	195	201	206	451	464	477	498	513	527	487
Local Area Traffic Management Growth	2	2	2	2	2	2	2	2	3	3
Minor Safety Works Growth	1	1	1	1	1	1	1	1	1	1
Pedestrian Crossing New Growth	1	1	1	1	1	1	1	1	1	1
Road Network Improvements Growth	-	-	-	224	214	209	241	354	419	492
Traffic Safety Improvements Growth	8	21	21	22	22	23	24	24	25	26
Capital projects to improve level of service ($000)										
Broadband Ducting	21	22	22	23	24	24	25	26	26	27
Bridge Seismic Strengthening (Cuba St. Overbridge)	-	1,338	-	-	-	-	-	-	-	-
Cross Valley Transport Connections	251	301	9,107	7,599	4,901	3,100	7,472	25,364	35,052	46,018
Cycleway/Shared Path Beltway	510	-	-	-	-	-	-	-	-	-
Cycling Micromobility Programme	3,055	3,144	3,229	7,066	7,271	7,475	7,803	8,030	8,263	7,637
Cycleway/Shared Path Eastern Bays	5,000	3,500	6,000	5,000	4,500	5,000	-	-	-	-
Local Area Traffic Management	98	101	104	107	110	113	116	120	123	126
Land Purchase For Roads (no subsidy)	10	10	11	11	11	12	12	12	13	13
Network Resilience - Eastern Hutt Road	-	5,145	-	-	-	-	-	-	-	-
Pedestrian Crossings - New	26	27	27	28	29	30	31	32	33	33
Reconstruction Improvements (no subsidy)	80	82	85	87	90	92	95	98	100	103
Road Network Improvements	-	-	-	862	903	942	946	874	860	824
Substandard Roads Upgrade	440	288	296	305	314	323	332	342	352	361
School Speed Zone Programme	60	62	64	-	-	-	-	-	-	-
Traffic Safety Improvements	332	1,008	1,038	1,068	1,099	1,129	1,162	1,196	1,231	1,264
Wheelchair-Friendly Footpath Routes	50	-	-	-	-	-	-	-	-	-
Capital projects to replace existing assets ($000)										
Area Wide Pavement Treatment	3,075	3,036	2,594	3,432	3,531	3,688	3,795	3,905	5,023	5,158
Carpark Resurfacing (no subsidy)	51	52	54	56	57	59	60	62	64	66
Estuary Bridge Corrosion Protection	-	-	-	-	1,075	-	-	-	-	-
Footpath Resurfacing & Replacement	405	422	434	447	460	473	486	500	515	529
Pavement Surfacing	3,000	3,293	3,971	4,685	4,933	5,878	6,048	6,224	4,018	4,643
Minor Safety Works	50	51	53	54	56	58	59	61	63	64
Minor Road And Footpath Construction	74	76	78	81	83	85	88	90	93	95
Pay & Display Extension (no subsidy)	-	-	-	-	-	346	356	366	-	-
Pedestrian Crossing Renewals	31	32	33	34	35	36	37	38	39	40
Road Reconstruction	300	309	318	327	336	346	356	366	377	387
Streetlight Lantern Replacement Programme	200	206	212	218	224	231	237	244	251	258
Streetlight Standard Replacement	250	257	265	272	280	288	296	305	314	322
Traffic Signal Replacement	170	175	180	185	191	196	202	207	213	219
Wainuiomata Hill Rd Safety Seal	1,054	617	635	654	673	692	712	732	753	774
Bridge Renewals - Norton Park Ave / Nelson Cres.	-	-	-	-	-	-	1,127	-	-	-
TOTAL CAPITAL	**18,859**	**23,837**	**30,840**	**34,750**	**32,823**	**31,917**	**34,042**	**54,920**	**65,429**	**78,736**

*Subsidies: apart from those projects noted, all other projects are eligible for a 51% subsidy from Waka Kotahi NZ Transport Agency. The Eastern Bays Shared Path project receives 50% of its funding from Crown Infrastructure Partners with the remaining 50% eligible for 51% subsidy from Waka Kotahi NZ Transport Agency.

Transport

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	4,146	4,826	4,657	4,792	4,931	5,074	5,447	5,605	5,767	5,934	6,095
Operating subsidies	4,309	4,526	4,753	4,901	5,015	5,161	5,305	5,471	5,630	5,793	5,950
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	9,377	8,261	11,206	14,201	16,471	15,638	14,925	17,082	27,721	33,264	40,050
Capital grants	-	2,500	1,750	3,000	2,500	2,250	2,500	-	-	-	-
Development & financial contributions	350	243	366	428	537	651	723	746	774	803	825
Vested assets	510	510	525	540	556	572	588	605	622	640	658
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	477	516	530	546	562	578	594	611	629	647	665
Total revenue	**19,169**	**21,382**	**23,787**	**28,408**	**30,572**	**29,924**	**30,082**	**30,120**	**41,143**	**47,081**	**54,243**
Expenditure ($000)											
Employee costs	2,559	2,305	2,422	2,493	2,567	2,643	2,718	3,094	3,184	3,277	3,365
Operating costs	13,196	12,431	12,815	13,207	13,546	13,861	14,263	14,702	15,131	15,533	15,956
Support costs/internal charges	2,540	3,104	3,295	3,264	3,412	3,534	3,715	3,714	3,748	3,892	3,848
Interest expenditure	1,395	900	1,419	1,957	2,591	3,333	3,871	4,350	5,011	5,642	6,302
Depreciation	14,309	16,693	18,275	21,218	23,270	25,285	28,525	30,277	32,102	35,758	37,879
Total expenditure	**33,999**	**35,433**	**38,226**	**42,139**	**45,386**	**48,656**	**53,092**	**56,137**	**59,176**	**64,102**	**67,350**
Deficit before Tax	**(14,829)**	**(14,051)**	**(14,439)**	(13,731)	(14,814)	(18,732)	(23,010)	(26,017)	(18,033)	(17,021)	(13,107)
TOTAL CAPITAL EXPENDITURE	**19,776**	**18,859**	**23,836**	**30,839**	**34,749**	**32,822**	**31,916**	**34,042**	**54,919**	**65,428**	**78,738**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(14,829)	(14,051)	(14,439)	(13,731)	(14,814)	(18,732)	(23,010)	(26,017)	(18,033)	(17,021)	(13,107)
Add capital contributions	(9,727)	(11,004)	(13,322)	(17,629)	(19,508)	(18,539)	(18,148)	(17,828)	(28,495)	(34,067)	(40,875)
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(24,556)**	**(25,055)**	**(27,761)**	**(31,360)**	**(34,322)**	**(37,271)**	**(41,158)**	**(43,845)**	**(46,528)**	**(51,088)**	**(53,982)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	(267)	(283)	(2,031)	(2,149)	(1,637)	(1,303)	(2,190)	(5,726)	(7,653)	(9,775)
Capital to improve level of service	(11,104)	(9,932)	(15,027)	(19,982)	(22,156)	(19,251)	(18,240)	(17,994)	(36,092)	(46,052)	(56,407)
Capital to replace existing assets	(8,672)	(8,660)	(8,526)	(8,826)	(10,444)	(11,934)	(12,373)	(13,858)	(13,101)	(11,723)	(12,556)
Less capital contributions	9,727	11,004	13,322	17,629	19,508	18,539	18,148	17,828	28,495	34,067	40,875
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	14,309	16,693	18,275	21,218	23,270	25,285	28,525	30,277	32,102	35,758	37,879
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**4,260**	**8,838**	**7,761**	**8,008**	**8,029**	**11,002**	**14,757**	**14,063**	**5,678**	**4,397**	**16**
TOTAL FUNDING REQUIREMENT	**(20,296)**	**(16,217)**	**(20,000)**	**(23,352)**	**(26,293)**	**(26,269)**	**(26,401)**	**(29,782)**	**(40,850)**	**(46,691)**	**(53,966)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by $121M, primarily due to an increase in capital subsidies and grants by $115M. This is as a result of capital subsidies that will be received on the increased capital programme, as well as grant funding from Central Government as part of the COVID-19 Response and Recovery Fund. In addition, there is a $5M increase in development contributions as a result of the new Development Contributions policy.

Operating Expenditure

Operating expenditure is increasing by $145M, primarily due to a significant increase in depreciation of $132M, which is the result of a recent revaluation of assets and the significant planned increase in capital expenditure.

Capital

Capital spending is increasing by $193M primarily due to an additional $92M for roading network improvements (which includes the cross valley transport connection project) and $85M extra for cycleways projects.

City Development

Attracting and providing services for residents, business and visitors is necessary for the city's economic development. By promoting Te Awa Kairangi Lower Hutt as a place to live and work we generate benefits for our whole community. We have a unique quality of life due to easy access to recreational green spaces, the river Te Awa Kairangi and the harbor Te Whanganui a Tara.

The RiverLink project is a big part of this work. It is a transformative project that aims to create a more resilient, connected and vibrant city, and exploits the advantages of Te Awa Kairangi as a focal point for the city centre.

Statements of Service Performance
Introduction to services

Activity: Urban Design

What we do

We take a lead role in the urban design, spatial planning and the master planning of our city and town centres. Our urban design and development experts partner with our communities, iwi and stakeholders to translate the community's aspirations into implementable actions and activities.

Why we do it

To ensure a cohesive and functioning city that meets the community's needs. Involvement in the process contributes to our communities, iwi and stakeholders sense of pride and belonging in their neighbourhood and city.

Activity: Business support and city growth

What we do

We work with local and regional business partners and communities and leverage government funding opportunities. We support the business sector and promote Te Awa Kairangi Lower Hutt as a business location and vibrant city.

Council has accessed funding to run events connecting students and employers and to employ a work broker to get young people into trades training and employment with local businesses.

Why we do it

Attracting and providing services for business and visitors is needed for the city's economic development. By attracting businesses to Te Awa Kairangi Lower Hutt we increase the number and range of job opportunities available to our community. Outcomes associated with an increased number and range of businesses in Te Awa Kairangi Lower Hutt include reduced unemployment, increased incomes, increased GDP and improved quality of life.

Significant negative effects and mitigation

A focus on low value economic sectors could divert attention and resources from those sectors that have the potential to provide greater long term value for the city.

Activity: Housing

What we do

We have made changes to the District Plan to enable a greater supply and range of housing types and densities across a number of urban areas of our city. The current review of our District Plan will also focus on providing the capacity to deliver the housing supply we need.

Through the city's homelessness plan, Council is contributing funding to organisations to deliver the immediate response required to help people facing homelessness and housing hardship. Council has also changed its expectations of its housing company, Urban Plus Limited (UPL), which now offers a wider range of housing outcomes and benefits to our communities. This includes pathways to housing permanence.[21]

Why we do it

We are facing a lack of adequate housing supply, which is causing major affordability problems for renters and buyers, and leading to an increase in homelessness and housing hardship. Housing people in our city has been identified by Council as a key priority. Secure quality housing has a major impact on providing an improved quality of life, stability, and better health outcomes. An increase in the number of homes being built will create jobs and income and help reduce overcrowding.

Activity: District Plan

What we do

We develop, review, implement and monitor the District Plan. Engagement with the community and stakeholders takes place when reviewing, monitoring and changing the District Plan. The Resource Management Act includes specific obligations for engaging with Mana Whenua.

The District Plan is currently being reviewed. The review looks at important issues like how our city will evolve over the decades ahead, how it will look and feel, how to house a growing population, how we protect our indigenous biodiversity and historic heritage, and how we manage natural hazards and sea level rise.

Why we do it

The District Plan meets Council's obligations under the Resource Management Act 1991. The Resource Management Act requires Council to monitor, review and change the District Plan in response to national and regional policy direction and to address significant resource management issues in the city.

Our work contributes to providing for urban growth to meet current and future housing and business land needs. It ensures the environment is sustainably managed, including important resources such as biodiversity and heritage. It provides for effective provision of infrastructure, leisure and wellbeing opportunities. The District Plan affects everyone in the community as it influences where people live and work, and how their local community develops.

21 See CCO section for UPL performance measures.

City Development

Key Performance Indicators

KPIs and targets for LTP	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
We are working to help people facing homelessness and housing hardship			
Number of Te Awa Kairangi Lower Hutt households assisted into more settled accommodation	Not available	Not applicable	50[22]
Number of households provided with legal housing advice and advocacy	Not available	Not applicable	80[22]
Number of households assisted by the homelessness prevention programme	Not available	Not applicable	80[22]

Capital Projects

	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to meet additional demand ($000)										
Urban Growth Strategy Improvements	1,200	-	-	-	-	-	-	-	-	-
Capital projects to improve level of service ($000)										
Petone 2040	200	206	212	218	224	231	237	244	251	258
Naenae Town Centre Improvements	1,000	1,235	2,647	2,724	1,457	-	-	-	-	-
RiverLink - Replacement Riverbank Car Parking	200	823	847	763	-	-	-	-	-	-
RiverLink - East Access Route	750	6,971	5,598	4,757	4,895	2,516	-	-	-	-
RiverLink - Promenade & Urban Improvements	1,065	12,780	18,720	35,547	3,702	-	-	-	-	-
RiverLink - Footbridge	750	7,718	13,810	2,253	-	-	-	-	-	-
RiverLink - Strategic Property Purchases	500	4,888	2,118	1,634	1,121	-	-	-	-	-
Wainuiomata Queen Street Development	3,040	5,515	-	-	-	-	-	-	-	-
TOTAL CAPITAL	**8,705**	**40,136**	**43,951**	**47,896**	**11,399**	**2,746**	**237**	**244**	**251**	**258**

Operating projects >$250K per year

($000)	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Urban Precinct Placemaking	320	329	106	109	112	115	119	122	126	129
Development Stimulus Package	6,282	6,226	1,689	514	491	181	-	-	-	-
Urban Growth - Wellington Reg Growth Framework	250	257	265	54	56	58	59	61	63	64
TOTAL	**6,852**	**6,812**	**2,060**	**677**	**659**	**354**	**178**	**183**	**189**	**193**

22 The target is reviewed at the end of each year.

City Development

Prospective Statement of Comprehensive Revenue and Expense

Prospective Statement of Comprehensive Revenue and Expense	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	232	289	298	86	89	91	94	97	100	102	105
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	-	765	7,491	9,898	3,575	2,496	1,283	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	65	65	-	-	-	-	75	77	79	82	84
Total revenue	**297**	**1,119**	**7,789**	**9,984**	**3,664**	**2,587**	**1,452**	**174**	**179**	**184**	**189**
Expenditure ($000)											
Employee costs	1,120	2,213	2,320	2,388	2,458	2,364	2,431	2,502	2,576	2,651	2,723
Operating costs	7,871	10,049	12,644	4,513	3,188	2,269	2,023	1,922	1,919	1,976	2,098
Support costs/internal charges	1,110	2,011	2,217	2,118	2,268	2,240	2,451	2,380	2,416	2,464	2,509
Interest expenditure	324	302	635	1,188	2,024	2,835	3,278	3,530	3,538	3,183	2,561
Depreciation	842	-	-	-	-	-	-	-	-	-	-
Total expenditure	**11,267**	**14,575**	**17,816**	**10,207**	**9,938**	**9,708**	**10,183**	**10,334**	**10,449**	**10,274**	**9,891**
Deficit before Tax	(10,970)	(13,456)	(10,027)	(223)	(6,274)	(7,121)	(8,731)	(10,160)	(10,270)	(10,090)	(9,702)
TOTAL CAPITAL EXPENDITURE	**7,251**	**8,705**	**40,136**	**43,951**	**47,896**	**11,399**	**2,746**	**237**	**244**	**251**	**258**

Prospective Funding Requirement

Prospective Funding Requirement	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(10,970)	(13,456)	(10,027)	(223)	(6,274)	(7,121)	(8,731)	(10,160)	(10,270)	(10,090)	(9,702)
Add capital contributions	-	(765)	(7,491)	(9,898)	(3,575)	(2,496)	(1,283)	-	-	-	-
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(10,970)**	**(14,221)**	**(17,518)**	**(10,121)**	**(9,849)**	**(9,617)**	**(10,014)**	**(10,160)**	**(10,270)**	**(10,090)**	**(9,702)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	(1,200)	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(7,251)	(7,505)	(40,136)	(43,951)	(47,896)	(11,399)	(2,746)	(237)	(244)	(251)	(258)
Capital to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Less capital contributions	-	765	7,491	9,898	3,575	2,496	1,283	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	842	-	-	-	-	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-	3,458	5,930	6,102	2,511	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(6,409)**	**(7,940)**	**(32,645)**	**(34,053)**	**(44,321)**	**(8,903)**	**1,995**	**5,693**	**5,858**	**2,260**	**(258)**
TOTAL FUNDING REQUIREMENT	**(17,379)**	**(22,161)**	**(50,163)**	**(44,174)**	**(54,170)**	**(18,520)**	**(8,019)**	**(4,467)**	**(4,412)**	**(7,830)**	**(9,960)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by $25M, primarily due to the inclusion of capital subsidies for the Roading projects that are part of the RiverLink project. There is also an additional $13M of income from expected property sales, also as part of the RiverLink project.

Operating Expenditure

Operating expenditure is increasing by approximately $31M. This is primarily made up of higher operating costs, of which $15M relates to the Development Stimulus Package that was previously not included as an operating expense but was budgeted as capital projects, plus higher employee costs $10M, higher support costs of $14M, higher interest cost of $13M, offset by reduced depreciation of $33M which has been moved to other activities.

Capital

Capital expenditure is increasing by approximately $115M. This is primarily due to additional planned spend related to RiverLink including rephasing of aspects of the budget.

Setting the scene for
Te Awa Kairangi Lower Hutt

Lower Hutt Social & Cultural Wellbeing

Social connections play an important role across many aspects of peoples' lives, from finding employment and getting advice on important decisions, to receiving support during difficult times and having someone to enjoy life and relax with. Social connectedness is a key driver of wellbeing and resilience. Well-connected people and communities are happier and healthier, and are better able to take charge of their lives and find solutions to the problems they are facing.

We live in a diverse city: a quarter of our community were born overseas; 18 per cent identify as Maori, 12 per cent as Pacific Peoples and 15 per cent as Asian; over 20 per cent speak two or more languages; 20 per cent of our population live in areas that are in the most deprived in New Zealand, while 25 per cent live in areas rated the least deprived.

The outcome measures illustrated give us an insight into how our city is doing in areas relating to social and cultural wellbeing. These outcome measures cannot be controlled by Council[23]; there are many influences outside of Council that will contribute to these measures moving in a positive or negative direction over time. However, some of Council's projects are aimed at having an impact on these city outcomes, for example the programmes, events and spaces available at our facilities enable community participation and connectedness, reducing social isolation and increasing wellbeing.

23 These are long term outcome indicators that we do not intend to report on each year

Lower Hutt residents participation in groups and clubs (2020)

Club or society	42%
Faith based group	21%
Neighbourhood group	11%
Cultural group	6%

Physical activity participation

37%

Engaged in physical activity 5+ days a week in 2020

WHO 5 wellbeing index

25% below 13

Indicative of poor emotional wellbeing and may indicate risk of poor mental health

Attendance at school

Rate per 1,000 students (2019 school year)

Stand downs	35.8
Suspensions	4.4
Exclusions	1.3

School leavers

Highest NCEA level attained by Lower Hutt school leavers in 2019 Highest NCEA level attained by Lower Hutt school leavers in 2019

with NCEA level 1	9%
with NCEA level 2	25%
with NCEA level 3 or higher	16%
with University Entrance	39%

Early childhood education in Lower Hutt (2019)

4,914 ECE places

Waiting time for enrolling in early childhood education service

No wait	53%
Up to 1 month	6%
1 to 6 months	27%
Over 6 months	15%

Council

Understand how council make decisions	53%
Feel consulted by Council	6%
Overall satisfaction with public engagement and consultation	27%

Key performance indicators

The Key Performance Indicators (KPIs) measure performance (what we do) and link to the outcomes we are trying to achieve for the city (why we are doing it) and were developed with service delivery managers to ensure that the KPIs:

- align with Council's six key priorities
- are central to improving performance, that is, they can be used by managers at least quarterly to inform decision making and make service/performance improvements to respond to results
- are directly controllable by Council and measure the outcomes that we can directly influence
- are measurable and can be measured at least quarterly.

The activities measured by these KPIs are those that Council is highly likely to deliver in the long term and those that lend themselves most directly to ensuring clear alignment can be made between the KPIs measuring performance (what we do) and the outcomes we are trying to achieve for the city (why we are doing it).

The Residents Satisfaction Survey results are used to measure the quality of the services and facilities Council provides. To date this survey has been conducted over the phone; from July 2021 the survey will be an online survey. It is likely that this change in methodology will negatively affect the results; therefore the targets for these measures have been reviewed to reflect this change.

Community Partnering & Support

Our neighbourhoods and communities give us a sense of place and purpose. Council's role is to support and enable neighbourhoods and communities to thrive and to be safe, connected, healthy, inclusive and resilient.

Statements of Service Performance
Introduction to services

Activity: Community funding, Community hubs, Community partnerships

What we do

We work alongside Mana Whenua and communities to enable, facilitate and support community-led initiatives and solutions to local issues. We operate three community hubs and 12 community halls. Our community hubs offer a mix of community, Council and agency led activities and services. Council's focus is on library, arts and recreation programmes while community and agency initiatives offer wellbeing focused services and programmes.

We plan to work in and with communities to identify and build on existing strengths and create self-sustaining networks with a focus on connectedness, safety, community participation, resilience and wellbeing. This includes work to increase the number of Neighbourhood Support networks across our communities.

We facilitate and support the delivery of volunteer services to keep our city safe using a partnership approach to crime prevention and community reassurance. We are partnering with local stakeholders to develop a plan that mobilises efforts to create a resilient and sustainable food system. We administer community funding and connect community groups and individuals to funding streams.

Why we do it

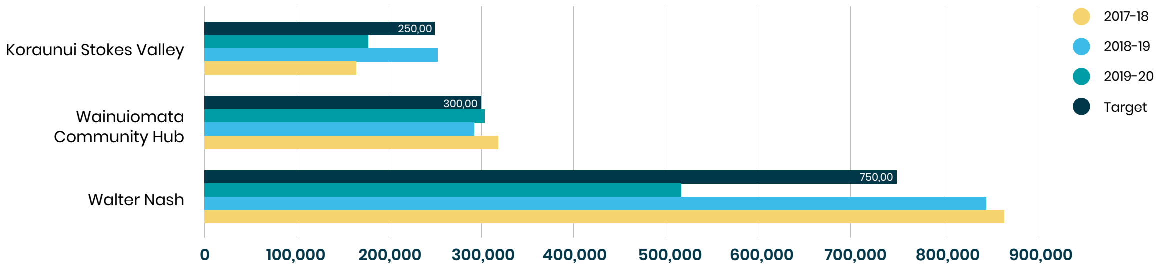
Collaborative initiatives to support social and cultural wellbeing improve community connectedness and give a sense of belonging across communities. City safety initiatives improve safety outcomes across the city and make the city an attractive place to live, work and do business. Community hubs and halls provide a safe inclusive space for the community. They enable community participation in a range of activities and reduce social isolation.

Significant negative effects and mitigation

There can at times be negative effects associated with activities that provide a place where people can congregate and are vulnerable to the risks associated with any public space. Some of the programmes and services offered at hubs could potentially expose participants to the risk of injuring themselves. However, these risks are mitigated through the presence of trained staff. There are systems in place to manage the hiring and use of community facilities and community safety.

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
We provide safe spaces for social, leisure and educational activities			
Number of hubs who met visitor number targets	1 of 3	Not applicable	3 of 3
Residents satisfaction with hubs	Not available	Not applicable	≥ 80%

Figure 1: Annual number of visitors to hubs compared to target



Community Partnering & Support

Capital Projects

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to improve level of service ($000)										
Community Halls Improvements	100	103	106	54	56	58	59	122	63	64
Community Hubs - Building Improvements	15	5	5	5	6	6	6	6	6	6
Community Houses	70	-	-	-	56	-	-	61	-	-
Community Panel Projects	-	-	484	-	-	527	-	-	574	-
Decarbonisation Energy Conversion	15	-	-	-	-	-	-	-	502	-
Walter Nash Centre Equipment and Fitout	30	-	95	-	-	-	107	-	-	-
Walter NashTaita Centre Furniture	50	-	53	-	-	-	-	-	-	-
Capital projects to replace existing assets ($000)										
Community Hubs - Interior & Exterior Renewals	5	9	6	3	10	3	18	5	13	5
Community Hubs - Furniture & Equipment Replacements	5	5	5	5	5	5	5	372	6	6
Community Houses Building Renewal	150	51	53	54	56	173	59	61	63	64
CBD Community Resource Centre	-	31	-	22	-	-	36	-	-	39
CCTV Replacement	30	31	32	33	34	35	36	37	50	39
Community Halls External and Internal Renewals	200	103	106	109	112	115	119	122	126	129
Stokes Valley Hub Renewals	100	21	21	22	22	288	24	24	25	155
Walter Nash Centre Renewals	280	442	244	251	364	455	154	403	163	168
Walter Nash Indoor Courts Resurface Floor and Seating	60	26	-	27	-	115	-	31	-	32
TOTAL CAPITAL	**1,109**	**827**	**1,210**	**586**	**721**	**1,780**	**622**	**1,243**	**1,590**	**707**

Operating projects >$250K per year

($000)	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Marae Funding	200	206	212	218	224	231	237	244	251	258
Safety Initiatives	484	498	512	364	374	385	396	408	419	431
Homelessness Strategy	570	587	604	621	639	657	676	696	716	735
Community Resilience	300	309	-	-	-	-	-	-	-	-
Mauri Ora Fund	713	734	755	777	799	822	846	870	895	919
TOTAL	**2,267**	**2,334**	**2,083**	**1,980**	**2,036**	**2,095**	**2,155**	**2,218**	**2,281**	**2,343**

Community Partnering & Support

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	446	438	451	464	477	491	505	519	534	550	565
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	28	-	5	5	5	6	6	6	6	6	6
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	1,202	1,240	164	169	174	179	184	189	195	200	206
Total revenue	**1,676**	**1,678**	**620**	**638**	**656**	**676**	**695**	**714**	**735**	**756**	**777**
Expenditure ($000)											
Employee costs	3,794	3,763	3,138	3,229	3,323	3,420	3,516	3,618	3,724	3,832	3,936
Operating costs	5,154	4,669	4,646	4,389	4,319	4,447	4,574	4,710	4,851	4,994	5,134
Support costs/internal charges	1,140	1,552	1,648	1,632	1,737	1,825	1,936	1,983	2,028	2,121	2,149
Interest expenditure	746	50	78	103	130	154	163	166	174	179	181
Depreciation	730	1,648	1,693	1,837	1,912	1,986	2,232	2,334	2,424	2,632	2,457
Total expenditure	**11,564**	**11,682**	**11,203**	**11,190**	**11,421**	**11,832**	**12,421**	**12,811**	**13,201**	**13,758**	**13,857**
Deficit before Tax	**(9,888)**	**(10,004)**	**(10,583)**	**(10,552)**	**(10,765)**	**(11,156)**	**(11,726)**	**(12,097)**	**(12,466)**	**(13,002)**	**(13,080)**
TOTAL CAPITAL EXPENDITURE	**1,693**	**1,110**	**827**	**1,209**	**586**	**722**	**1,780**	**622**	**1,243**	**1,590**	**707**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(9,888)	(10,004)	(10,583)	(10,552)	(10,765)	(11,156)	(11,726)	(12,097)	(12,466)	(13,002)	(13,080)
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(9,888)**	**(10,004)**	**(10,583)**	**(10,552)**	**(10,765)**	**(11,156)**	**(11,726)**	**(12,097)**	**(12,466)**	**(13,002)**	**(13,080)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(1,392)	(280)	(108)	(743)	(60)	(118)	(590)	(172)	(189)	(1,145)	(71)
Capital to replace existing assets	(301)	(830)	(719)	(466)	(526)	(604)	(1,190)	(450)	(1,054)	(445)	(636)
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	730	1,648	1,693	1,837	1,912	1,986	2,232	2,334	2,424	2,632	2,457
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(963)**	**538**	**866**	**628**	**1,326**	**1,264**	**452**	**1,712**	**1,181**	**1,042**	**1,750**
TOTAL FUNDING REQUIREMENT	**(10,851)**	**(9,466)**	**(9,717)**	**(9,924)**	**(9,439)**	**(9,892)**	**(11,274)**	**(10,385)**	**(11,285)**	**(11,960)**	**(11,330)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Revenue is reducing by $3m primarily due to the closure of the Walter Nash Fitness Suite of $4M, this is partly offset by additional revenue of $1M mainly from sponsorship and Government funding for schemes such as Healthy Families.

Operating Expenditure

Operating expenditure has increased by $18M primarily due to higher support costs of $10M , higher operating costs of $6M for the Homelessness Strategy, and higher depreciation costs of $8M due to a recent revaluation of assets, offset by reduced Employee costs of $4M.

Capital

Capital expenditure is decreasing by $13M primarily due to a change in the Wainuiomata Hub project to Wainuiomata Queens Street Development of $9M and removal of Sportsville and Artificial Surfaces of $5m which is now under Open Spaces, Parks & Reserves.

Open Spaces, Parks and Reserves

Statements of Service Performance
Introduction to objectives, contributions and services

What we do

We own more than 5,300 hectares of land and manage around 3,000 hectares of parks, reserves, bush-clad hills, beaches, walkways, tracks, sportsgrounds and playgrounds, and around 12,500 street trees. We manage sportsgrounds, civic parks, neighbourhood parks, bush reserves, cemeteries, playgrounds, the foreshore, wharves, street trees and gardens.

Why we do it

Our reserves and natural spaces help to conserve landscapes that give the city character and protect natural and cultural features. As parts of our city become more densely developed, protected areas of public open space will become increasingly important. Reserves contribute to the city's ability to recover from events such as storms, flooding and earthquakes, and, along with open spaces and parks, make for an inviting city that attracts businesses, residents and visitors.

Open spaces, parks, reserves, sportsgrounds, street gardens and street trees help make our city an attractive place to live and provide places for recreation and gatherings, as well as bump space. Participation in recreation and leisure activities plays a key role in improving the physical and psychological wellbeing of individuals and builds social capital by bringing communities together and creating a sense of pride and belonging.

Significant negative effects and mitigation

There can at times be negative effects associated with places where people can congregate and are vulnerable to the risks associated with any public space. Some of the recreational areas and programmes offered could potentially expose participants to the risk of injuring themselves. However these risks are mitigated through ensuring all safety standards are met. There are systems in place to manage flora and fauna disturbance during works.

Key Performance Indicators	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
We provide leisure and recreational opportunities to our community			
Number of days Council owned/maintained grass sportfields are closed	Not available	Not applicable	≤ 20 days
Number of days Council owned/maintained artificial turf sportsfields are closed	Not available	Not applicable	≤ 10 days
Resident satisfaction with sportsfields[24]	94%	Not applicable	≥ 80%
Resident satisfaction with parks and reserves	97%	Not applicable	≥ 80%
Resident satisfaction with playgrounds[24]	97%	Not applicable	≥ 80%

Operating projects >$250K per year	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)										
Petone Wharf Demolition	800	-	-	-	-	-	-	-	-	-
Point Howard Wharf Laterals Demolition	-	720	-	-	-	-	-	-	-	-
Hutt Valley Tennis - Mitchell Park	500	-	-	-	-	-	-	-	-	-
TOTAL	**1,300**	**720**	-	-	-	-	-	-	-	-

24 Question in Residents Survey refers to Council owned sportfields and playgrounds

Open Spaces, Parks and Reserves

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to improve level of service ($000)										
Avalon Park Development	-	103	-	109	-	1,268	-	122	-	129
Parks & Gardens Protection Bollards	5	5	5	5	6	6	6	6	6	6
New Cemetery Development, Akatarawa Road	-	864	900	926	-	-	-	-	-	-
Car Park Development	40	-	106	-	-	115	-	-	126	-
Decarbonisation Energy Conversion	-	-	-	218	224	115	-	610	628	-
Hardcourt Development Western Hills	50	-	-	-	-	-	-	-	-	-
Honiana Te Puni Redevelopment	-	257	-	-	-	-	-	-	-	-
Jubilee Park Drainage	30	-	-	-	-	-	-	-	-	-
Light Boxes	24	-	25	-	27	-	28	-	30	-
Meadowbank Reserve Development Belmont	250	-	-	-	-	-	-	-	-	-
Mountain Bike Park	124	161	53	54	56	58	59	61	63	64
Maungaraki Reserve Bike Track & Groundworks	200	-	-	-	-	-	-	-	-	-
Minoh Friendship House Improvements	-	-	-	65	-	-	-	73	-	-
Manor Park Cycle Trail	190	-	-	-	-	-	-	-	-	-
Memorial Park Synthetic Turf & Changing Rooms	-	309	-	-	-	-	-	-	-	-
Naenae Ground Works (Reserves Funded)	400	-	-	-	-	-	-	-	-	-
Naenae Park Changing Rooms	-	-	-	-	-	-	-	1,220	-	-
New Tracks & Track Upgrades	-	-	-	109	-	115	-	122	-	129
Percy Reserve SH2 Development	-	-	-	-	112	-	119	-	126	-
Valley Floor Review Implementation	595	206	-	-	-	-	593	610	-	645
Sportsville Artificial Playing Surface	-	-	-	-	2,242	-	-	-	-	2,579
Te Whiti Park Building Extension	600	-	-	-	-	-	-	-	-	-
Wainuiomata Artificial Playing Turf	-	-	-	-	-	2,478	-	-	-	-
Wainuiomata Garden Of Remembrance	-	257	-	-	-	-	-	305	-	-
Williams Park Improvements	500	-	-	-	-	-	-	-	-	-
Capital projects to replace existing assets ($000)										
Avalon Park Pavilion Renewals	40	-	95	-	-	115	-	98	-	64
Parks Buildings Capital Renewals	1,926	1,949	2,118	2,179	2,242	2,305	2,372	2,441	2,511	2,579
Korohiwa Bus Barn Renewals	100	-	-	-	-	-	47	-	-	-
Miscellaneous Rentals Renewals	-	-	-	-	-	115	-	-	-	155
Seats & Bins	60	62	64	65	67	69	71	73	75	77
Parks Hard Surfaces Renewals	240	257	265	272	280	288	296	305	314	322
Parks Signage & Interpretation	30	31	32	33	34	35	36	37	38	39
Playgrounds	255	262	217	223	230	236	243	250	257	264
Petone Wharf	7,000	7,000	6,100	-	-	-	-	-	-	-
Petone Grandstand Renewal	-	-	794	5,665	-	-	-	-	-	-
Point Howard Wharf	-	-	1,376	-	-	-	-	-	-	-
Sportsground Buildings Renewals	220	226	233	240	247	254	261	268	276	284
Track Renewals	30	103	106	109	112	115	119	122	126	129
Hutt Rec Artificial Turf Replacement	-	-	-	-	-	461	-	-	-	-
Hutt Rec Sand Carpet Renewals	-	-	318	-	-	-	-	-	-	-
TOTAL CAPITAL	**12,909**	**12,053**	**12,806**	**10,274**	**5,879**	**8,148**	**4,249**	**6,723**	**4,575**	**7,466**

Open Spaces, Parks and Reserves

Prospective Statement of Comprehensive Revenue and Expense	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	2,752	1,472	1,515	1,507	1,509	1,553	1,596	1,642	1,691	1,740	1,786
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	5	5	6	6	6	6	6	7	7	7	7
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	3,000	617	635	654	673	692	712	732	753	774
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	55	56	58	59	61	63	65	67	68	70
Total revenue	**2,757**	**4,532**	**2,194**	**2,206**	**2,228**	**2,293**	**2,357**	**2,426**	**2,497**	**2,568**	**2,637**
Expenditure ($000)											
Employee costs	692	769	807	831	855	880	905	931	958	986	1,013
Operating costs	11,614	12,431	12,122	11,725	11,638	11,988	12,335	12,705	13,088	13,445	13,860
Support costs/internal charges	921	1,093	1,183	1,159	1,232	1,293	1,377	1,377	1,388	1,454	1,426
Interest expenditure	711	400	647	894	1,161	1,408	1,526	1,546	1,560	1,483	1,381
Depreciation	2,653	3,445	4,636	5,979	6,719	6,983	7,473	7,910	8,226	6,481	5,987
Total expenditure	**16,591**	**18,138**	**19,395**	**20,588**	**21,605**	**22,552**	**23,616**	**24,469**	**25,220**	**23,849**	**23,667**
Deficit before Tax	(13,834)	(13,606)	(17,201)	(18,382)	(19,377)	(20,259)	(21,259)	(22,043)	(22,723)	(21,281)	(21,030)
TOTAL CAPITAL EXPENDITURE	**5,780**	**12,909**	**12,052**	**12,807**	**10,274**	**5,879**	**8,148**	**4,250**	**6,724**	**4,576**	**7,467**

Prospective Funding Requirement	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(13,834)	(13,606)	(17,201)	(18,382)	(19,377)	(20,259)	(21,259)	(22,043)	(22,723)	(21,281)	(21,030)
Add capital contributions	-	(3,000)	(617)	(635)	(654)	(673)	(692)	(712)	(732)	(753)	(774)
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(13,834)**	**(16,606)**	**(17,818)**	**(19,017)**	**(20,031)**	**(20,932)**	**(21,951)**	**(22,755)**	**(23,455)**	**(22,034)**	**(21,804)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(4,775)	(3,008)	(2,162)	(1,090)	(1,487)	(2,667)	(4,155)	(805)	(3,130)	(978)	(3,553)
Capital to replace existing assets	(1,005)	(9,901)	(9,890)	(11,717)	(8,787)	(3,212)	(3,993)	(3,445)	(3,594)	(3,598)	(3,914)
Less capital contributions	-	3,000	617	635	654	673	692	712	732	753	774
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	2,653	3,445	4,636	5,979	6,719	6,983	7,473	7,910	8,226	6,481	5,987
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**(3,127)**	**(6,464)**	**(6,799)**	**(6,193)**	**(2,901)**	**1,777**	**17**	**4,372**	**2,234**	**2,658**	**(706)**
TOTAL FUNDING REQUIREMENT	**(16,961)**	**(23,070)**	**(24,617)**	**(25,210)**	**(22,932)**	**(19,155)**	**(21,934)**	**(18,383)**	**(21,221)**	**(19,376)**	**(22,510)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

There is no significant change in operating revenue.

Operating Expenditure

Operating expenditure is increasing by $68M primarily due to higher depreciation costs of $46M, due to a recent revaluation of assets and increase in capital spend. There are also increases in support costs of $10M and interest expense of $7M.

Capital

Capital expenditure is increasing by $63m primarily due to an additional $23M in Parks building renewals, $21M for Wharves renewals, $6M for Petone Grandstand, $2M for Decarbonisation projects, and $2M for Wainuiomata Artificial Playing Turf.

Connectivity, creativity, learning, and recreation

We work to provide shared spaces that support wellbeing with a focus on physical and mental health, literacy, arts, culture and heritage, digital technology and civic participation.

We provide free access (with the exception of special exhibitions) to two museums – the Dowse Art Museum and the Petone Settlers Museum. We have five pools, six when Naenae is reopened, nine community halls and three community gyms. By providing access to these facilities and services, as well as a range of community-based programmes and events, we help remove barriers to participation, reduce social isolation, and encourage residents to play a role in their community.

Statements of Service Performance
Introduction to services

Activity: Libraries

What we do

Our library services include a single city-wide library service, as well as heritage collections and services. Libraries provide opportunities for learning, social and leisure activities, practical help and advice, and contribute to growing social capital.

We manage five community libraries and three libraries in community hubs. We focus on developing and providing access to library collections across a variety of formats, subject areas and genres, to inform and inspire a range of the city's residents.

Our services include:

- SMART library services, providing Te Awa Kairangi Lower Hutt residents with free access to the lending collections of partner libraries
- two clubhouses that provide tamariki and rangatahi with free access to supportive safe spaces equipped with creative technologies
- a heritage centre that collects stories and histories of our local communities across Lower Hutt
- a range of formal and informal learning opportunities for residents of all ages and stages of life through a variety of programmes and events. Each library provides public computing equipment, access to the internet and library staff support.

Why we do it

To ensure our residents have access to the resources that enable them to better participate in society by providing: access to reading materials, both physical and online; access to Wi-Fi and computers to enable them to engage with services and others digitally; a space where residents can connect with one another, local community groups and other organisations, and; access to key services and assistance.

Significant negative effects and mitigation

There can at times be negative effects associated with activities that provide a place where people can congregate and are vulnerable to the risks associated with any public space. Some of the programmes offered could potentially expose participants to the risk of injuring themselves. However, these risks are mitigated through the presence of trained staff. There are systems in place to manage hiring and use of community facilities and community safety.

Activity: Recreation programmes

What we do

We aim to encourage, enable and support our residents to be physically active, improve health and enhance the wellbeing of individuals, whānau and communities. Our focus is on the development and growth of programmes, projects and other community activities which meet local needs and support residents' opportunities for health and wellbeing. We prioritise programmes and projects where barriers to participation are high.

Why we do it

Sport, play and recreation play a key role in creating happier, healthier people, a better-connected community and a stronger economy. It improves the physical and psychological wellbeing of individuals and can transform our communities.

Significant negative effects and mitigation

Some of the programmes offered could potentially expose participants to the risk of injuring themselves. However, these risks are mitigated through the presence of trained staff.

Activity: Swimming pools and fitness centres

What we do

We deliver swimming pool services, fitness suites, swim city swim school and programmes related to these activities. The facilities provide spaces where residents and visitors can recreate, relax and connect, improve their fitness and health, build water confidence and swim and have fun. We have five aquatic facilities and two fitness suites spread throughout Te Awa Kairangi Lower Hutt, which have a positive influence on how we deliver our services to each of our unique communities. We are investing in decarbonising all our buildings and facilities, by changing from natural gas heating to lower-carbon options, by 2030.

We are rebuilding Naenae Pool as a modern and sustainable facility that meets the needs of the Naenae community and aquatic sports users from around the region. The new facility will include the introduction of new technology which should reduce operational costs and the pool's impact on the environment which contributes to Council's carbon zero target.

Why we do it

We strive to positively contribute to the development of physically active and healthy communities through increasing participation in aquatic recreation and leisure. Aquatic and fitness facilities contribute to the city's health and vitality by:

- providing recreation opportunities that enhance health and wellbeing
- increasing social interaction and a sense of belonging
- attracting visitors and providing economic benefits to the city.

Significant negative effects and mitigation

There can at times be negative effects associated with activities that provide a place where people can congregate and are vulnerable to the risks associated with any public space. Some of the pool programmes we offer could potentially expose participants to the risk of injuring themselves. However, these risks are mitigated through the presence of trained staff. There are systems in place to manage the hiring and use of community facilities and community safety.

Activity: Art and museums

What we do

We operate the Dowse Art Museum, Petone Settlers Museum, Little Theatre, Community Arts and provide oversight of Council's public art collection. We run education classes and workshops for all ages including school groups, seniors, minority and cultural groups. There are public programmes such as talks, workshops and events linked to deeper engagement with exhibitions or social and cultural topics. We also manage community projects that support local artists. We are investing in decarbonising all our buildings and facilities, by changing from natural gas heating to lower-carbon options, by 2030.

Why we do it

Our museums and art spaces enable access to information, knowledge, arts and cultural facilities that support and enrich individuals and the community. Participation in recreational and cultural activities enhances cultural wellbeing and diversity, and promotes civic pride and community values. By doing this the city will achieve better social and economic outcomes and be more resilient in the future.

Significant negative effects and mitigation

There can at times be negative effects associated with activities that provide a place where people can congregate and are vulnerable to the risks associated with any public space. Some of the exhibitions and programmes offered could potentially expose participants to the risk of injuring themselves. However, these risks are mitigated through the presence of trained staff. There are systems in place to manage the hiring and use of community facilities and community safety.

Activity: Promotions and events

What we do

We attract people to Te Awa Kairangi Lower Hutt by supporting our events community to deliver vibrant events to our city and inspire community pride.

- we provide opportunities for business to partner with Council and the community
- we work alongside eateries, retailers, accommodation providers, tourism operators and our regional neighbours and build campaigns to attract people to the Hutt Valley
- we attract events, tournaments, concerts and conferences to the city to bring life and vibrancy to our economy, fill accommodation and help our venues thrive
- our events work is guided by the need to celebrate diversity, culture, history and our future while activating the CBD and suburban centres.

Why we do it

Attracting and providing services for business and visitors supports the city's economic development and community wellbeing. By supporting the business sector and promotion. Te Awa Kairangi Lower Hutt as a business location, tourist destination and vibrant city, we generate benefits for local enterprises and our residents.

Significant negative effects and mitigation

There can at times be negative effects associated with activities that provide a place where people can congregate and are vulnerable to the risks associated with any public space. Large events may cause traffic delays through diversions and road closures.

Key Performance Indicators

	Actual performance 2019-20	Annual Plan 2020-21 Target	Long Term Plan 2021-31 Annual Target
KPIs and targets for LTP			
We provide safe spaces where our community can access the services they need			
Number of libraries who met visitor number targets	7 of 7	Not applicable	7 of 7
Number of physical loans[25]	804,500	Not applicable	Decrease of less than or equal to 5%
Number of physical loans via home delivery service[26]	6,319	Not applicable	Decrease of less than or equal to 5%
Number of electronic loans[27]	94,859	Not applicable	10% increase from previous year
Number of people using Wi-Fi at libraries and hubs[28]	1,548,776 (Feb-Jun only)	Not applicable	Increase number of people year on year
Use of Council computers at libraries and community hubs[29]	102,888	Not applicable	75,000[30]
Resident satisfaction with Libraries	97%	> 96%	≥ 80%[31]
We provide our community with access to a leisure and recreational opportunities			
Number of pools who met visitor number targets	1 of 2 indoor pools 2 of 3 outdoor pools	Not applicable	2 of 2 indoor pools 3 of 3 outdoor pools
Number of fitness suite members	Not available	Not applicable	Greater than or equal to previous year
Resident satisfaction with pools	88%	≥ 92%	≥ 80%[31]
We enable access to arts and culture			
Number of museums who met visitor number targets	Not available	Not applicable	2 of 2
Residents satisfaction with museums[28]	Not available	Not applicable	≥ 80%

Figure 2: Annual number of visitors to libraries compared to target

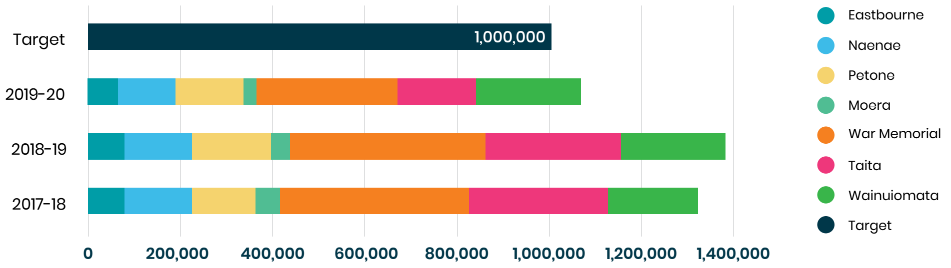


Figure 3: Annual number of visitors to museums compared to target

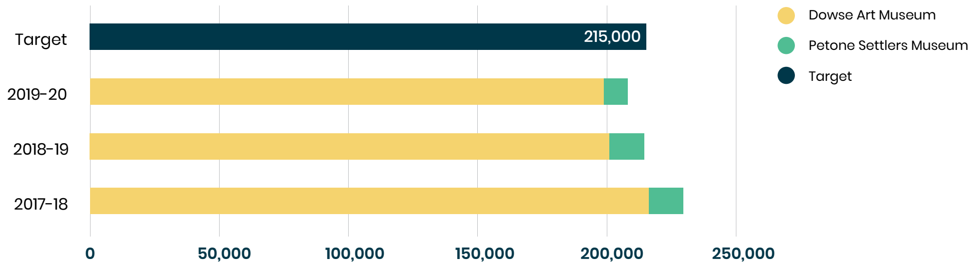
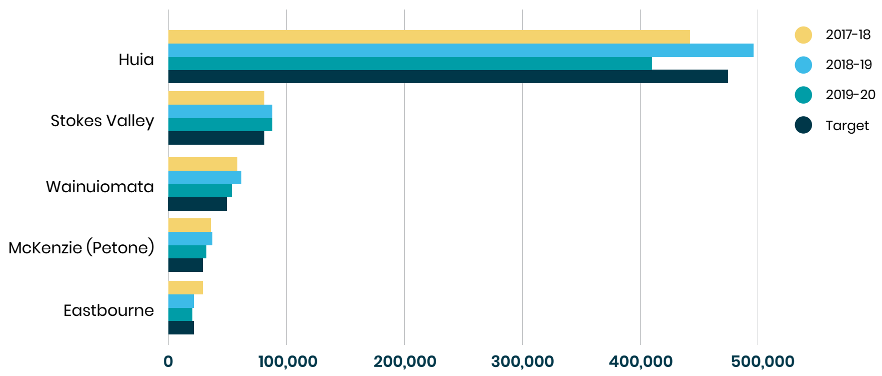


Figure 4: Swimming Pool



25 Books, magazines, CDs and DVDs physically borrowed by going to a library
26 Does not include delivery to rest homes where borrower is the rest home, or other business/corporation borrowers, only to individual borrowers).
27 Music, film, books and magazines streamed from library resources.
28 Number of individual devices that log into the Wi-Fi per day.
29 Number of sessions opened.
30 The target has been reduced because: the introduction of free Wi-Fi which is hoped will see more people using their own devices, and: to take into account the ageing hardware that increasingly means one or more computer is out of action for a period of time.
31 The reduction in the target reflects a change in the methodology used for the residents survey and a reduction it the hours that libraries are open.

Connectivity, Creativity, Learning & Recreation

Operating projects >$250K per year	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)										
Events Funding	334	344	354	364	374	385	396	408	419	431
TOTAL	**334**	**344**	**354**	**364**	**374**	**385**	**396**	**408**	**419**	**431**

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to improve level of service ($000)										
Eastbourne Library/Community Hub Building Improvements	-	-	-	-	-	-	-	1,220	-	-
Libraries Buildings Improvements	45	46	48	49	50	52	53	55	57	58
Libraries RFID Robotic Returns Sorter	160	-	-	-	-	-	190	-	-	-
Libraries Self Scanning Machines	-	-	-	-	118	86	53	73	-	58
Dowse Collection Storage Upgrade	200	823	-	-	-	-	-	-	-	-
Dowse Heat Pump	50	566	-	-	-	-	-	-	-	-
Dowse New Artworks	45	46	48	54	56	63	65	73	75	84
Dowse New Roof	-	-	-	163	-	-	-	-	-	-
Little Theatre Improvements	-	26	-	-	-	104	-	-	-	-
Little Theatre Sound & Lighting Improvements	-	-	-	-	67	-	-	-	38	-
Petone Settlers Museum Lighting & Furnishings	-	-	85	-	-	-	-	-	-	-
Eastbourne Pool Heat Pump	150	-	-	-	-	-	-	-	-	-
Huia Pool Boiler Replacement, Hydro/LTS Pool	-	-	-	-	1,006	-	-	-	-	-
Huia Pool Heat Pump (New side)	396	-	-	-	-	-	-	-	-	-
Naenae Pool & Fitness Rebuild	8,568	19,929	27,901	7,859	3,264	-	-	-	-	-
Pools Other Improvement Projects	114	116	-	136	140	-	148	-	-	161
Stokes Valley Pool Fitness Suite Equipment	-	-	-	110	-	-	-	-	326	-
Stokes Valley Pool Heat Pump	-	-	-	-	-	-	621	-	-	-
Wainuiomata Pool Refurbishment	-	-	-	-	-	-	-	-	131	10,033
Naenae Fitness Suite Equipment Purchase	-	-	159	-	-	-	-	-	188	-
Decarbonisation Energy Conversion	-	-	-	490	-	-	119	-	1,318	1,225
Civic Events Centre Improvements	150	154	159	163	168	277	178	183	188	193
City Flags	30	31	32	33	34	35	36	37	38	39
Flag Track Infrastructure	250	-	-	-	-	-	-	-	-	-

Connectivity, Creativity, Learning & Recreation

Capital Projects (cont.)

	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to replace existing assets ($000)										
Libraries Furniture & Equipment Replacement	41	42	43	44	45	47	48	49	51	52
Libraries Interior & Exterior Renewals	316	82	85	87	90	100	196	81	151	124
Libraries Shelving Replacement	20	21	53	22	22	58	24	24	63	26
Libraries Stock Replacement	765	797	831	872	919	945	972	1,001	1,030	1,057
Petone Library Renewals	-	1,544	-	-	-	-	-	-	-	-
Dowse Building & Plant Renewals	60	67	-	87	-	69	-	122	-	49
Dowse Building Repair & Repaint	-	-	-	-	146	-	-	-	151	-
Dowse Carpets & Soft Furnishings Gallery & Office	10	15	-	-	67	-	36	-	151	-
Dowse Dehumidification Upstairs Galleries	-	-	-	44	-	-	-	-	-	64
Dowse Gallery Lighting	10	15	21	44	-	69	-	85	-	116
Dowse Office Furniture & Equipment	-	-	42	-	28	-	83	-	75	-
Huia Pool Replace Roof Membranes	600	-	-	-	-	-	-	-	-	-
Huia Pool Coloursteel Roof Replacement	260	-	-	-	-	-	-	-	-	-
Little Theatre Renewals	-	82	-	-	90	-	237	-	-	103
Petone Settlers Museum Building & Plant Renewals	-	-	159	-	-	44	-	-	-	174
Petone Settlers Museum Exhibition Furniture & Fittings	-	-	-	-	-	-	-	61	-	-
Huia Hydro Pool Liner Replacement	-	-	-	-	-	-	308	-	-	-
Huia Pool Replace Moveable Floor	-	-	-	54	1,570	-	-	-	-	-
Other Pool Projects	389	210	794	326	556	366	440	310	441	566
Stokes Valley Pool Filter Replacement	-	-	-	-	-	418	-	-	-	-
Stokes Valley Pool Roof Replacement	645	-	-	-	-	-	-	-	-	-
Civic Events Centre Renewals	-	82	-	109	-	115	-	-	126	-
Clubhouse Equipment Replacement	15	-	16	-	17	-	18	-	19	-
Huia Pool Fitness Suite Equipment Replacement	-	-	-	-	-	-	303	-	-	-
Huia Pool Pipe & Tiling Replacement	-	-	-	-	457	-	-	-	-	-
TOTAL CAPITAL	**13,288**	**24,696**	**30,474**	**10,746**	**8,910**	**2,849**	**4,128**	**3,374**	**4,618**	**14,183**

Connectivity, Creativity, Learning & Recreation

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	3,914	4,115	4,289	4,532	5,214	6,211	6,400	6,602	6,811	7,027	7,237
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	100	100	83	84	87	90	92	95	98	100	103
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	2,700	8,000	12,100	3,000	1,200	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	1,135	1,015	941	969	997	1,026	1,054	1,085	1,116	1,149	1,180
Total revenue	**5,149**	**7,930**	**13,313**	**17,685**	**9,298**	**8,527**	**7,546**	**7,782**	**8,025**	**8,276**	**8,520**
Expenditure ($000)											
Employee costs	10,351	9,411	9,730	9,991	10,961	11,980	12,316	12,674	13,043	13,423	13,786
Operating costs	8,633	8,964	7,359	7,573	8,326	8,912	9,149	9,426	9,712	10,001	10,289
Support costs/internal charges	4,874	6,122	6,535	6,474	6,883	7,186	7,617	7,688	7,741	8,079	8,024
Interest expenditure	1,252	697	1,038	1,372	1,748	2,130	2,290	2,332	2,272	2,006	1,795
Depreciation	4,389	4,589	4,678	4,915	6,811	8,869	9,445	9,580	9,738	10,498	10,981
Total expenditure	**29,499**	**29,783**	**29,340**	**30,325**	**34,729**	**39,077**	**40,817**	**41,700**	**42,506**	**44,007**	**44,875**
Deficit before Tax	**(24,350)**	**(21,853)**	**(16,027)**	**(12,640)**	**(25,431)**	**(30,550)**	**(33,271)**	**(33,918)**	**(34,481)**	**(35,731)**	**(36,355)**
TOTAL CAPITAL EXPENDITURE	**3,638**	**13,288**	**24,696**	**30,474**	**10,746**	**8,910**	**2,849**	**4,127**	**3,374**	**4,615**	**14,183**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(24,350)	(21,853)	(16,027)	(12,640)	(25,431)	(30,550)	(33,271)	(33,918)	(34,481)	(35,731)	(36,355)
Add capital contributions	-	(2,700)	(8,000)	(12,100)	(3,000)	(1,200)	-	-	-	-	-
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(24,350)**	**(24,553)**	**(24,027)**	**(24,740)**	**(28,431)**	**(31,750)**	**(33,271)**	**(33,918)**	**(34,481)**	**(35,731)**	**(36,355)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(896)	(10,158)	(21,738)	(28,430)	(9,058)	(3,897)	(617)	(1,462)	(1,641)	(2,359)	(11,851)
Capital to replace existing assets	(2,742)	(3,130)	(2,958)	(2,044)	(1,688)	(5,013)	(2,232)	(2,665)	(1,733)	(2,256)	(2,332)
Less capital contributions	-	2,700	8,000	12,100	3,000	1,200	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	4,389	4,589	4,678	4,915	6,811	8,869	9,445	9,580	9,738	10,498	10,981
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**751**	**(5,999)**	**(12,018)**	**(13,459)**	**(935)**	**1,159**	**6,596**	**5,453**	**6,364**	**5,883**	**(3,202)**
TOTAL FUNDING REQUIREMENT	**(23,599)**	**(30,552)**	**(36,045)**	**(38,199)**	**(29,366)**	**(30,591)**	**(26,675)**	**(28,465)**	**(28,117)**	**(29,848)**	**(39,557)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

Operating revenue is increasing by $19M primarily due to $27M of grants from Government to help fund the Naenae Pool rebuild as part of the COVID-19 economic recovery measures. These are offset by reduced fees from the closure of Naenae Fitness suite of $5M.

Operating Expenditure

Operating expenditure is increasing by $78M primarily due to higher depreciation costs of $40M due to a recent revaluation of assets and increased capital spend. There are also increases in support costs of $29M and interest expense of $9M.

Capital

Capital is increasing by $76M primarily due to the Naenae Pool rebuild of $68M and decarbonisation projects of $3M.

Te Mana Whakahaere, Te Rautaki, me Ngā Rangapū

Governance, Strategy and Partnerships

Under the Local Government Act 2002 (LGA), Council has two purposes: to enable democratic local decision-making and action by, and on behalf of, communities and to promote the social, economic, environmental, and cultural well-being of communities in the present and for the future.

The LGA also requires Councils to recognise and respect the Crown's responsibility to take appropriate account of the principles of the Treaty of Waitangi and to maintain and improve opportunities for Māori to contribute to local government decision-making processes. Our partnership with Mana Whenua is key to us meeting our obligations and also to achieving a city where everyone thrives.

This activity is made up of governance-related services for elected members, our partnership with Mana Whenua, strategic planning, policy development and monitoring and reporting.

Mana Whenua Partnership

What we do

As a local authority, Council is guided by a legal framework that includes provisions for Māori and an obligation to include Māori in decision-making. These statutory obligations may be the foundations for organisational policy and delivery but, on their own, they do not adequately emphasise the importance of the Treaty of Waitangi (Te Tiriti), partnership with Māori, and the critical value that this unique relationship can bring to the city.

Council's vision is that we will meaningfully embrace and incorporate the Te Ao Māori (Māori worldview) in our policies and practices, be aware and responsive to Māori needs and aspirations, and fulfil our obligations under the principles of Te Tiriti. Council recognises the critical value that a strong partnership with Mana Whenua can bring to building a city where everyone thrives.

We ensure we have the right relationships and processes in place to enable partnership with Mana Whenua, effective participation and a shared decision-making focus. This includes meaningful, timely and inclusive engagement at all levels that requires teams to think about the role of Māori in the planning and delivery of our work programmes and the equitable resourcing for this in line with Council obligations to Māori.

Through the future development of an overarching effective Māori Engagement Strategy and subsequent policies in partnership with Mana Whenua, Council will have mechanisms for effective monitoring, review and evaluation of our partnership with Māori. Outputs of the Māori Engagement Strategy include a Te Reo Māori and Tikanga Policy, Memoranda of Partnership, an effective Bilingual Signage Policy, a Koha Policy, as well as enabling Council to leverage certain projects to pilot implementation of effective Māori engagement action plans that value Te Ao Māori while establishing a benchmark for ongoing performance measurement.

Elements of valuing Te Ao Māori include recognition of, and provision for, tikanga Māori, recognising the validity and importance of mātauranga Māori, and seeking to view the world, and Council decisions, from a Māori perspective. Representatives of Tangata Whenua have speaking and voting rights at any meeting of Council, its committees or subcommittees.

Why we do it

The Local Government Act 2002 acknowledges the Crown's responsibilities under the Treaty of Waitangi and the responsibility to maintain and improve opportunities for Māori to contribute to local government decision-making processes.

The responsibility to consult includes recognising those who have Mana Whenua status. In fulfilling its responsibilities, Council also consults with other Māori within the city, including the city's marae. Memoranda of understanding reflect the existing partnerships.

We will enable Māori aspirations through recognition of Te Tiriti o Waitangi / The Treaty of Waitangi (Te Tiriti) and customary rights, incorporating the intent and the principles of Te Tiriti in our work with Māori. These principles have been broadly defined by the Courts and the Waitangi Tribunal as:

- partnership - the Crown and Māori have a duty to act in good faith, fairly, reasonably and honourably towards the other
- protection - the Crown has a duty to protect Māori interests including tino rangatiratanga and taonga, including the duty to provide redress for Treaty breaches
- participation - iwi, hapū, whānau and Māori should have the same opportunities to participate in society as other New Zealanders and should be able to have an active say in decisions that affect them.

We will recognise and value the combined strengths of mātauranga Māori and scientific knowledge systems. The understanding of Te Ao Māori concepts and values is inherent to relationships with Māori, and is fundamental to effective, meaningful and enduring relationships between Māori and Council.

City Governance

Statements of Service Performance
Introduction to services

Activity: Democratic Services

What we do

We operate by providing support to political leaders to effect good decision making, ensure all meetings are scheduled and run in accordance with legislative requirements and provide legislative advice.

We provide support and information for requests from the Mayor and Councillors, management and staff, advisory boards, CCOs and the community.

Why we do it

Our purpose is to ensure Council meets all legislative requirements in delivering democratic processes. Under the Local Government Act 2002, Council has two purposes:

- to enable democratic local decision-making and action by, and on behalf of, communities
- to promote the social, economic, environmental, and cultural wellbeing of communities in the present and for the future.

The elected members, processes and professional advice support Council to fulfil its obligation to sound governance and robust decision-making for the city.

Activity: Community Funding Panels

What we do

Community Funding Panels are community funders focused on supporting local projects and initiatives in their communities. The Community Funding Panels allocate and manage a Local Community Projects Fund and allocate and manage the local Community Engagement Fund for the Central, Eastern, Northern and Western Wards in Te Awa Kairangi Lower Hutt.

Why we do it

We assist and support local community events and initiatives.

City Governance

KPIs and targets for Long Term Plan	Actual performance 2019–2020	Annual Plan 2020–21 Target	Long Term Plan 2021–31 Annual Target
Our community are provided with the information they require to participate in the democratic process			
Meeting and committee agendas (%) made available to the public within statutory time frames	Not available	Not applicable	100%
Resident satisfaction with access to the decision making process	Not available	Not applicable	≥ 80%
Residents feel they have enough information to participate in democratic process	Not available	Not applicable	≥ 80%

City Governance

Prospective Statement of Comprehensive Revenue and Expense

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	-	-	-	-	-	-	-	-	-	-	-
User charges	-	-	-	-	-	-	-	-	-	-	-
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	-	-	-	-	-	-	-	-	-	-
Dividends from council controlled organisations	-	-	-	-	-	-	-	-	-	-	-
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	-	-	241	-	-	262	-	-	286	-	-
Total revenue	**-**	**-**	**241**	**-**	**-**	**262**	**-**	**-**	**286**	**-**	**-**
Expenditure ($000)											
Employee costs	676	1,069	1,144	1,154	1,187	1,246	1,256	1,293	1,357	1,369	1,406
Operating costs	1,462	1,757	2,227	1,850	1,902	2,400	2,012	2,070	2,613	2,192	2,251
Support costs/internal charges	2,976	3,799	4,055	4,104	4,285	4,320	4,587	4,575	4,668	4,814	4,893
Interest expenditure	-	-	-	-	-	-	-	-	-	-	-
Depreciation	11	6	3	-	-	-	-	-	-	-	-
Total expenditure	**5,125**	**6,631**	**7,429**	**7,108**	**7,374**	**7,966**	**7,855**	**7,938**	**8,638**	**8,375**	**8,550**
Deficit before Tax	**(5,125)**	**(6,631)**	**(7,188)**	**(7,108)**	**(7,374)**	**(7,704)**	**(7,855)**	**(7,938)**	**(8,352)**	**(8,375)**	**(8,550)**
TOTAL CAPITAL EXPENDITURE	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Prospective Funding Requirement

	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	(5,125)	(6,631)	(7,188)	(7,108)	(7,374)	(7,704)	(7,855)	(7,938)	(8,352)	(8,375)	(8,550)
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total rates funding requirement	**(5,125)**	**(6,631)**	**(7,188)**	**(7,108)**	**(7,374)**	**(7,704)**	**(7,855)**	**(7,938)**	**(8,352)**	**(8,375)**	**(8,550)**
Loan Funding Requirement ($000)											
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	-	-	-	-	-	-	-	-	-	-	-
Capital to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	11	6	3	-	-	-	-	-	-	-	-
Less asset sales	-	-	-	-	-	-	-	-	-	-	-
Less rate funded debt repayment	-	-	-	-	-	-	-	-	-	-	-
Total loan (funding)/repayment	**11**	**6**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
TOTAL FUNDING REQUIREMENT	**(5,114)**	**(6,625)**	**(7,185)**	**(7,108)**	**(7,374)**	**(7,704)**	**(7,855)**	**(7,938)**	**(8,352)**	**(8,375)**	**(8,550)**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

There is no significant change in operating revenue.

Operating Expenditure

There is an increase of $22M in expenditure, primarily due to moving a number of functions into this activity.

Capital

There is no capital expenditure.

Corporate Services

Capital Projects

Capital Projects	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Capital projects to improve level of service ($000)										
Administration Leased Accommodation Fitout	15	-	-	-	-	-	-	-	-	-
Mobile Devices	-	-	-	87	90	92	95	98	100	103
Other (IT) Projects	3,559	3,416	2,491	463	589	375	385	397	408	419
Internet Online Services	-	-	-	218	224	231	237	244	251	258
The Pavilion Improvements	-	309	-	-	146	-	-	110	-	-
Facilities Seismic Strengthening	-	1,713	-	-	-	-	-	-	-	-
System Upgrades	111	31	74	272	280	288	296	305	314	322
Vehicle Purchase	1,264	670	731	758	1,641	750	818	849	1,838	840
Capital projects to replace existing assets ($000)										
Civic Administration Building Renewals	10	31	11	11	28	576	-	-	63	387
Contingent Facilities Management Fund	1,000	1,029	1,059	1,090	1,121	1,153	1,186	1,220	1,256	1,290
Network Storage/Server Hardware and PC Replacement Programme	300	103	281	381	392	403	415	427	439	451
Pavilion Renewals	-	10	-	22	11	92	-	12	176	-
System Renewals	-	-	-	196	314	207	213	220	352	232
Telecommunications	-	-	-	44	45	46	47	49	50	52
TOTAL CAPITAL	**6,259**	**7,312**	**4,646**	**3,542**	**4,881**	**4,214**	**3,694**	**3,931**	**5,248**	**4,354**

Corporate Services

Prospective Statement of Comprehensive Revenue and Expense	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates	113,254	129,460	138,509	148,165	160,478	173,762	188,183	203,752	220,650	238,985	258,740
User charges	1,269	1,098	1,136	1,169	1,203	1,238	1,273	1,310	1,348	1,387	1,424
Operating subsidies	-	-	-	-	-	-	-	-	-	-	-
Operating grants	-	-	-	-	-	-	-	-	-	-	-
Capital subsidies	-	-	-	-	-	-	-	-	-	-	-
Capital grants	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Vested assets	-	-	-	-	-	-	-	-	-	-	-
Interest earned	796	898	912	926	941	956	972	988	1,005	1,023	1,041
Dividends from council controlled organisations	6	5	5	217	223	342	352	480	494	509	522
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	363	356	370	385	396	408	419	431	444	457	469
Total revenue	**115,688**	**131,817**	**140,932**	**150,862**	**163,241**	**176,706**	**191,199**	**206,961**	**223,941**	**242,361**	**262,196**
Expenditure ($000)											
Employee costs	11,430	13,766	14,454	14,362	15,006	15,457	15,891	16,354	16,830	17,320	17,789
Operating costs	6,728	6,430	6,488	6,007	5,891	5,992	6,166	5,992	6,070	6,321	4,883
Support costs/internal charges	(19,625)	(24,235)	(25,976)	(25,717)	(27,164)	(27,952)	(29,719)	(29,680)	(30,024)	(31,154)	(31,088)
Interest expenditure	1,591	1,318	1,436	1,523	1,625	1,731	1,728	1,707	1,690	1,664	1,633
Depreciation	1,488	1,708	2,144	2,632	2,994	3,505	4,005	3,406	2,868	3,618	3,446
Total expenditure	**1,612**	**(1,013)**	**(1,454)**	**(1,193)**	**(1,648)**	**(1,267)**	**(1,929)**	**(2,221)**	**(2,566)**	**(2,231)**	**(3,337)**
Deficit before Tax	**114,076**	**132,830**	**142,386**	**152,055**	**164,889**	**177,973**	**193,128**	**209,182**	**226,507**	**244,592**	**265,533**
TOTAL CAPITAL EXPENDITURE	**6,545**	**6,259**	**7,312**	**4,646**	**3,542**	**4,881**	**4,214**	**3,694**	**3,931**	**5,248**	**4,354**

Prospective Funding Requirement	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Rates Funding Requirement ($000)											
Surplus/(deficit)	114,076	132,830	142,386	152,055	164,889	177,973	193,128	209,182	226,507	244,592	265,533
Add capital contributions	-	-	-	-	-	-	-	-	-	-	-
Rate funded debt repayment	17,482	28,769	35,320	30,116	31,113	30,257	29,322	23,779	17,853	12,256	(1,036)
Total rates funding requirement	**131,558**	**161,599**	**177,706**	**182,171**	**196,002**	**208,230**	**222,450**	**232,961**	**244,360**	**256,848**	**264,497**
Capital to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
Capital to improve level of service	(4,872)	(4,949)	(6,139)	(3,296)	(1,799)	(2,970)	(1,736)	(1,832)	(2,003)	(2,912)	(1,942)
Capital to replace existing assets	(1,673)	(1,310)	(1,173)	(1,350)	(1,743)	(1,911)	(2,478)	(1,862)	(1,928)	(2,336)	(2,412)
Less capital contributions	-	-	-	-	-	-	-	-	-	-	-
Less Upper Hutt City Council capital contribution	-	-	-	-	-	-	-	-	-	-	-
Less depreciation	1,488	1,708	2,144	2,632	2,994	3,505	4,005	3,406	2,868	3,618	3,446
Less asset sales	-	299	9	438	206	850	450	491	510	1,103	504
Less rate funded debt repayment	(17,482)	(28,769)	(35,320)	(30,116)	(31,113)	(30,257)	(29,322)	(23,779)	(17,853)	(12,256)	1,036
Total loan (funding)/repayment	**(22,539)**	**(33,021)**	**(40,479)**	**(31,692)**	**(31,455)**	**(30,783)**	**(29,081)**	**(23,576)**	**(18,406)**	**(12,783)**	**632**
TOTAL FUNDING REQUIREMENT	**109,019**	**128,578**	**137,227**	**150,479**	**164,547**	**177,447**	**193,369**	**209,385**	**225,954**	**244,065**	**265,129**

Explanations of differences between the 10-year plan 2021-2031 and the equivalent years of the previous 10-year plan 2018-2028

Operating Revenue

There is no significant change in operating revenue.

Operating Expenditure

Corporate services costs get allocated to other activities. However, employee costs have increased, primarily due to additional resources because of the need to ensure that the organisation is adequately resourced to deliver on the strategies and the projects that the Council has agreed to. Operating costs have increased primarily to cover higher information services costs for an increase in investment in digital capability and with the move to treating software as a service as an operating cost rather than capital.

Capital

Capital expenditure has increased by $28M primarily due to $10M for vehicle purchases, $11m for Facilities capital renewals, and $6M for Information Technology capital improvements.

Section Four

Ngā rautaki, ngā kaupapa here, me ngā whakapae

Strategies, policies and assumptions

4

Significant forecasting assumptions

Assumption	Risk	Level of uncertainty	Reason for the uncertainty	Financial impact of the uncertainty
Inflation				
Annual inflationary increases are based on the annual Local Government Cost Indices (LGCI), as published in the 2020 BERL Report. LGCI for each year is detailed below.	Actual LGCI for the year significantly differs from that included in the budgets.	Moderate	The LGCI estimates used are the forecasts issued by BERL in 2020.	Inflationary pressure outside the forecast LGCI range is not included in the 10-year plan.

Year	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
LCGI%	3.2	2.9	2.9	2.9	2.9	2.8	2.9	2.9	2.9	2.7

Assumption	Risk	Level of uncertainty	Reason for the uncertainty	Financial impact of the uncertainty
Growth				
Council projections for income from rates revenue include an allowance for growth and inflation. Average growth of 1.1 per cent per annum in the rating base is assumed. This incorporates population movements and increases in the number of houses in Lower Hutt, based on the targets outlined in Council's Urban Growth Strategy.	The actual rates for growth are significantly different from the projected rates of growth.	Moderate	Uncertainty exists as the projected increases in population and the associated number of houses may not be realised.	Rates of growth that vary significantly from the assumed level will result in unbudgeted financial pressures.
Population growth				
The population of the city at the 2018 Census was 108,700. Our current population is estimated at 111,800, and is projected to reach 120,000 around 2030 and between 124,000 and 130,000 in 2043.	Population growth rates exceed or are less than forecast.	Moderate	Uncertainty exists as the projected increases in population and the associated number of houses may not be realised.	Rates of growth that vary significantly from the assumed level will result in unbudgeted financial pressures.
Interest rates				
The long-term cost of borrowing is assumed to be an average of 3.2 per cent through the period of the 10-year plan.	Interest rates and swap rates are significantly different from those budgeted.	Moderate	Council has interest rate swaps in place to minimise the fluctuation of interest rate movements. As debt projections are forecast to increase significantly over the 10 year period, there will be further interest rate swaps to be put in place; there is uncertainty about the future market conditions that will exist.	Higher interest rates provide the ability to earn higher income from cash holdings. Higher interest rates may lead to higher interest cost on debt.
COVID-19				
The 10-year plan is prepared on the assumption that Council services are operating in a COVID-19 level one environment. With a vaccine roll-out likely to take place in the early stages of this plan, we have assumed that the risk of disruption is low over the longer term.	Disruption caused by COVID-19 will result in changes or closure of Council operations, resulting in reduced revenue or delays in projects. Wider economic disruption will impact the affordability of rates and levels of non-payment.	Moderate	In the short term there is a greater risk of disruption to planned Council activities. Uncertainty is expected to decrease following the roll-out of a vaccine.	Disruption to Council operations may result in reduced revenue from fees to fund Council activities. Project delays may result in challenges on delivering project timeframes and budgets.
Natural disasters and insurance costs				
Council has comprehensive insurance policies, which are designed to provide substantial, but not total, cover from the financial impact of natural disasters. The level of insurance cover is calculated by extensive loss modelling, which estimates the maximum probable loss. Council collectively purchases insurance with the Wellington Councils Insurance Group (includes Kāpiti Coast District, Porirua City, Upper Hutt City and Greater Wellington Regional Councils).	The damage exceeds the cover obtained by Council and its ability to fund the repair/reconstruction out of normal budgetary provisions. The cost of insurance increases more than budgeted.	Moderate	The timing or scale of a natural disaster event cannot be predicted. Should an event occur, there is uncertainty over whether the city is able to recover sufficiently or quickly enough in order to prevent long-term adverse effects on the population or local economy.	The damage exceeds the cover obtained by Council and its ability to fund the repair/reconstruction out of normal budgetary provisions. The cost of insurance increases more than budgeted.

Assumption	Risk	Level of uncertainty	Reason for the uncertainty	Financial impact of the uncertainty
Asset revaluation				
Council revalued asset classes as at May 2020 in accordance with its accounting policies, and the results of the revaluation have been applied from 1 June 2020. Council assesses the carrying value of its revalued assets annually to ensure they do not differ materially from the assets' fair value. For further information see Council's accounting policies.	Asset revaluations differ from those budgeted; depreciation charges resulting may differ.	Moderate	Market buoyancy and property pricing influences the value of the property assets. Contract and construction prices influence the value of infrastructure assets.	A higher level of asset valuation means more depreciation to use to fund asset renewals and some improvements. Lower levels of valuation and depreciation reduce Council's ability to fund capital from depreciation and place more reliance on funding improvements from other funding mechanisms, such as debt or rates. Depreciation rates are contained in accounting policies.
Asset sales				
A small amount of asset sales is planned for surplus land following completion of Council projects.	Property prices are higher or lower than the planned sales amount	Moderate	Market buoyancy and property pricing influences the value of the property assets.	A higher sales price would result in a gain on the sale made by the Council. Lower prices would result in greater costs having to be absorbed by rates.
Asset lives				
Refer to the Statement of Significant Accounting Policies.				
Asset condition				
The condition of the network is expected to improve over the period of this plan. Assumptions have been made regarding the average useful lives and remaining lives of the asset groups, based on the current local knowledge and experience, and historical trends.	Condition assessments for underground three waters assets may reveal that they have aged faster than our theoretical modelling anticipates.	Moderate	By their nature, underground assets are not visible and therefore condition information of these assets is not easily obtainable. In this 10-year plan additional funding has been assigned for investigative works to ensure we have a sufficient understanding of our underground assets.	Assets that have aged faster than planned may result in the requirement for renewal work to be brought forward to avoid the impact of asset failures.
Waka Kotahi NZ Transport Agency (NZTA)				
The NZTA subsidy is 51% for both operating and capital works. For projects not fully subsidised by NZTA, a lower subsidy applies.	Current funding patterns and subsidy percentages may change during the life of the Long Term Plan.	Low	The impact of projects of national significance may change criteria.	Any change in subsidy rate would lead to a reduction in the work programme or reprioritisation of projects.
Central government funding				
Budgets have been prepared including funding expected to be received from the COVID-19 Response and Recovery Fund for Naenae Pool ($27M) and the Eastern Bays Shared Path ($15M).	Funding requirements are not met and therefore funding from central government does not eventuate.	Low	Receipt of this funding is dependent on continued government support for the scheme, as well as Council meeting specific milestones as the projects are completed.	Any change in the level of grants received would require the funding gap to be made up from borrowing or for projects to reduce in scope.
Level of debt				
The Financial Strategy set limits on debt at 250 per cent of total revenue (excluding vested assets) for the period of the 10-year plan. Net interest must be less than 10 per cent of revenue (excluding vested assets).	Higher debt levels lead to higher servicing costs.	Low	Council's ability to service debt from existing funding sources reduces.	Change in the capital programme, the service levels offered by Council or rates revenue requirements may lead to a change in debt levels.
Sources of funds				
See Council's Revenue and Financing Policy, included in section 4 of this plan.				
Climate change				
Climate change will affect the city and Council infrastructure; some assets are situated in low-lying areas.	Climate change impacts such as sea-level rise and increased rainfall intensity will impact on the city, including Council infrastructure. This has flow-on effects, such as capital and operational cost increases to maintain the functioning of infrastructure. Social, economic, cultural and environmental impacts will also be felt by residents, businesses and visitors.	Moderate	In the short to medium term (10–30 years), impacts are relatively certain (eg, the sea level is rising and will continue to rise). Impacts are less certain in the longer term. The timing of when climate change impacts will significantly impact the city and Council's infrastructure is relatively uncertain. In addition, if we do not reduce emissions relatively quickly, the scale of impacts is likely to increase beyond those that are already reasonably certain. Initiatives to optimise environmental outcomes for Lower Hutt inhabitants may be too expensive to progress in the current financially constrained environment.	Uncertainty of the timing and ultimate scale of impacts will affect the timing and scale of forecast capital and operational expenditure, asset impairment and reduced useful life of infrastructure assets in areas vulnerable to the harm of climate change-related events.

Assumption	Risk	Level of uncertainty	Reason for the uncertainty	Financial impact of the uncertainty
Water reform				
The Three Waters Reform programme is currently under way, led by central government. This is likely to result in a very different landscape for all councils across New Zealand by the time we prepare the Long Term Plan 2024–2034. As the programme is in its early stages, there is uncertainty as to what the future holds. As a result the plan assumes that Council will retain management of the Three Waters infrastructure.	Early proposals indicate structural changes may be implemented to centralise ownership of water assets into multi-regional entities. The final form, timing and implications of this proposal are yet to be released. Therefore, we cannot assess likely impacts on the Long Term Plan. Any structural changes would not change the need for the activity to be provided; therefore, it remains appropriate to include the activity in the plan.	Moderate	The form of the structural changes is yet to be released. The ultimate form, timing and implications of the change may have a range of effects on Council's three waters activities.	Reforms have the potential to affect a range of financial aspects for the Council, including: • revenue – revenue to fund the activity may no longer be collected by the Council • expenditure – spending incurred to carry out the activities may be incurred by a new entity • assets – assets may move to the new entities (however, what assets and timing is unclear) • liabilities – current borrowings that relate to three waters activities may shift to the new entity, along with the need to incur future borrowings to fund capital spend. While the changes above will impact the information that the Council presents, the activity will continue, led by any new entity created.
Capital programme achievability				
Our plan assumes that the programme is able to be achieved over the life of the plan. Council is projecting a significant increase in its capital programme to achieve the outcomes in its 10-year plan.	The planned capital programme is not able to be fully achieved over the life of the 10-year plan. The increase in demand on contractors to achieve the programme may result in costs increases.	Moderate	There are risks due to the increase in scale of the capital programme that there is not sufficient contractor availability or internal Council resource to support the delivery of the programme within the timeframes and projected costs included in the 10-year plan. We are investing in funding resources to support delivery and taking actions alongside our partners to manage the increased expenditure effectively.	Delays in projects can result in additional costs, including costs of retaining project staff for longer periods and inflationary impacts. The additional demand for contractors from the Council and in the region may impact market conditions and increase the cost of obtaining contractor services.

Financial Strategy

Summary and overview

Council's total assets are worth $1.7 billion and include infrastructure assets, land and buildings. Total liabilities are lower, at $0.3 billion, and include borrowings and payables to suppliers. Annual income of around $200M is largely applied to fund operating costs for services delivered by Council and to maintain assets.

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

- affordability of rates
- achieving intergenerational equity by spreading the costs between both present and future ratepayers
- maintaining prudent borrowing levels
- achieving a balanced budget and ensuring that everyday costs are paid for from everyday income
- delivering services effectively and efficiently
- strengthening Council's financial position.

The financial strategy focuses on strong fiscal management while addressing growing demands for increased capital expenditure in core infrastructure assets. Council has planned a capital investment spend of $1.5 billion for the 10 years of the 10-year plan, 40 per cent of which is for three waters and 28 per cent for transport. This will be funded by borrowings, development contributions, central government subsidies and rates.

Borrowings are a key component of recognising the intergenerational equity principle, whereby the cost of long-term assets should be met by ratepayers over the life of those assets. Council projects that the growth of debt over the 10-year plan will increase from $0.2 billion to $0.6 billion to fund the planned capital investment. It is important that we prudently manage the amount of borrowings, while enabling continued investment in infrastructure and community assets. Council has reviewed the borrowing limits and has increased them to higher levels; it has increased the key measure of net debt to revenue to 250 per cent. This is within the requirements of the Local Government Funding Agency and aligned with the approach of other councils (see Table 1).

A guiding principle of this financial strategy is the importance of a balanced budget. This means ensuring that projected operating revenue over the lifetime of the 10-year plan is set at a level sufficient to meet projected operating expenses, and that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access; ie, 'everyday costs are paid for from everyday income'.

The 10-year plan projects that Council will not achieve the balanced budget target for a number of years, until 2028/29 (see Figure 17). This projected balanced budget position provides a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future. It is financially prudent and in line with the legislative requirements, due to the longer term plans for rates revenue generation and repayment of debt occurring to avoid a significant impact on future ratepayers. The level of funding also enables Council to maintain its levels of service and undertake asset renewals, and is consistent with the Revenue and Financing Policy.

Council has considered the level of rates revenue in light of a number of factors, including affordability to ratepayers, the legislative requirement for financial prudence and the economic environment as a result of the pandemic.

The Council has a high dependency on rates as a principle revenue source, and there are few options available to offset cost pressures. As part of the Annual Plan 2020/21 emergency budget, the Council took a number of decisions that led to savings of $3M; these savings have an ongoing effect and reduce the rating impact. As part of the 10-year plan process a base budget review was conducted. This process identified $2.2M of savings, which have been applied to reduce the rating impact for the 10-year plan. Council will continue to drive for efficiencies and revenue opportunities to reduce the rates burden into the future.

Over the 10-year plan period, the projected rates revenue increases for ratepayers range between 5.9 per cent and 7.2 per cent[1]. This excludes the one-off increase for changes to the household rubbish and recycling service in 2021/22, for which there will be offsetting cost savings, as households will no longer need to purchase rubbish bags or pay for private rubbish collection.

For 2021/22, an overall 5.9 per cent increase in rates charges has been made for ratepayers. This equates to an average increase of $2.50[1] per week per household, or $130 per annum. Investment in our Three Waters infrastructure makes up over half ($72) of this increase. The remaining increase covers cost increases for all the other services Council provides. For an average commercial central property, an increase of $15.00 per week has been made.

Section A: Introduction and setting the scene

What is a financial strategy?

Our financial strategy is intended to guide the decisions we make now and in the future and to enable Council's contribution to the vision for Lower Hutt.
The financial strategy builds on our current financial position and sets out our overall financial goals for the 10-year plan.

Our strategy focuses on strong fiscal management while addressing growing demands for increased capital expenditure in core infrastructure assets such as the wastewater, water supply, stormwater and transport networks.

The Local Government Act 2002 (LGA) requires us to manage our revenues, expenses, assets, liabilities, investments and general financial dealings prudently. In doing so, we're aware of the impact our costs and funding decisions have on our community. We're particularly concerned about the affordability of Council services, and have carefully considered this in developing our strategy, in particular in regard to the impact on rates charges.

Setting the scene from the Annual Plan 2020/21

In light of the unprecedented situation of the COVID-19 pandemic, we prepared a one-year 'emergency budget' for our Annual Plan 2020/21. Prior to the COVID-19 lockdown in late March 2020, we were progressing plans to consult on significant proposed changes to the Long Term Plan 2018–2028. This included consulting on investment choices for Three Waters, Naenae Pool, cycleways and Cross Valley Transport Connections, together with proposed changes to funding solutions and the financial strategy. These plans were put on hold as a result of the pandemic.

The emergency one-year budget was limited to getting us through a period of uncertainty. It broadly focused on investment in basic infrastructure and services, and included $3M of operational savings to help us 'get through'.

It was clear throughout the Annual Plan 2020/21 process that we face significant financial challenges going forward, and that there was a need for a full review of the financial strategy in the 10-year plan.

We need to increase our revenue and borrowings to fund our priorities for the city, and we need to work towards finding a financially sustainable solution in the long term, resulting in sufficient revenue to match the costs of delivering services for our growing city.

1 These charges exclude the cost of the new waste services changes (rubbish and recycling).

Strategic context and links to key aspects in the Long Term Plan

Significant forecasting assumptions.
Infrastructure Strategy.
Revenue and Financing Policy.

Section B: Our financial position leading into the preparation of the 10-year plan

As at 30 June 2020, the Council's total assets were worth $1.7 billion and include infrastructure assets, land and buildings; whilst total liabilities were lower at $0.3 billion and include borrowings and payables to suppliers.

In August 2020, Standard & Poors Global Ratings Agency affirmed the Council's AA credit rating with a stable outlook – this is a strong financial position.
Financial trend information of some key indicators from 2016 to 2020 are shown here; these include capital investment, net debt, revenue and expenditure.

Our most recent audited Annual Report, for the period ended 30 June 2020, showed that Council achieved income of $169.7M and incurred operating expenditure of $181.1M, with a net deficit of $11.3M. This result excludes the unbudgeted loss on revaluation of financial instruments of $10.1M and the gain on property revaluations of $69M. The underlying net operating deficit for the year was $19.1M, after adjusting for income received towards capital works of $5.8M and the gain on disposal of properties.

Figure 1: Capital expenditure for the last five years ($M)

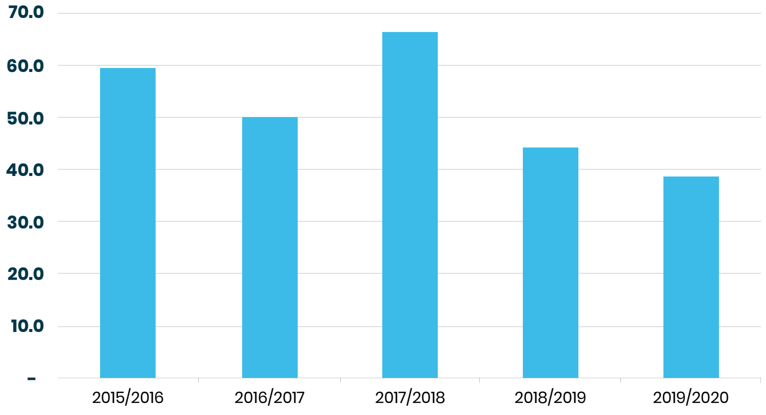


Figure 2: Council net debt ($M)

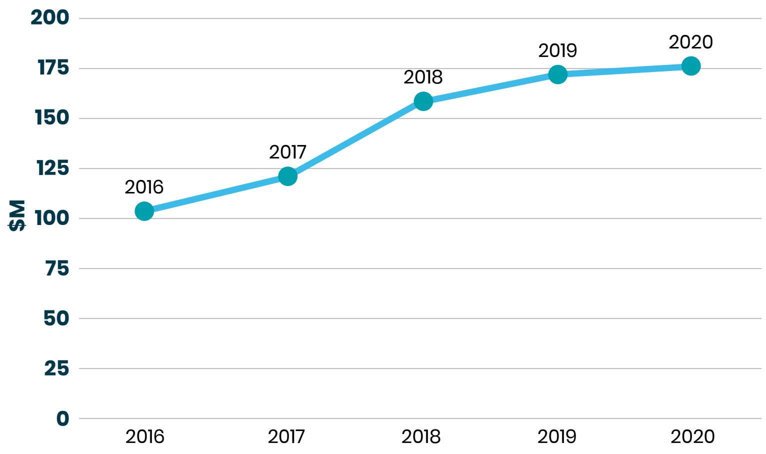


Figure 3: Sources of revenue ($M) for the past five years

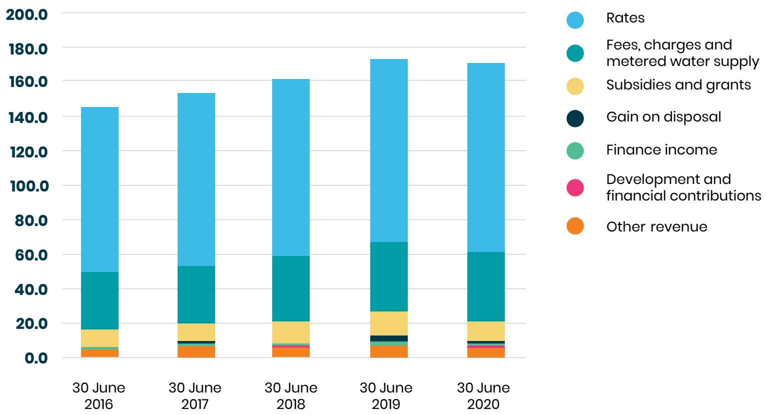
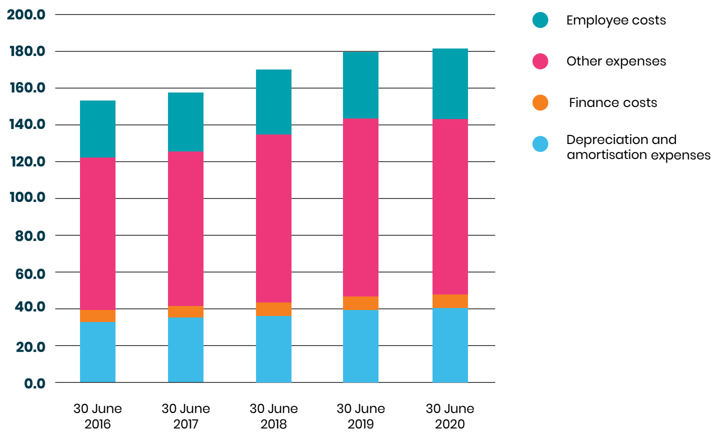


Figure 4: Operating expenditure ($M) for the past five years



Section C: Financial strategy guiding principles for the 10-year plan

Our financial strategy is based on guiding principles which provide the foundation for prudent sustainable financial management, as follows.

- The financial strategy enables Council's contribution to the vision for Lower Hutt.
- Fairness and equity – the funding of expenditure is equitable across both present and future ratepayers:
  a. intergenerational equity – the cost of long-term assets should be met by ratepayers over the life of those assets. This is reflected by debt funding new assets and funding the replacement or renewal of assets from rates.
  b. balanced budget – projected operating revenue over the lifetime of the 10-year plan is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access; ie, 'everyday costs are paid for from everyday income'.
- Prudent sustainable financial management – budgets are managed prudently and in the best interests of the city in the long term. Debt must be maintained at prudent levels and be affordable.
- Ability to pay (affordability) – affordability is an important consideration as it ensures that we transparently consider the ability of our diverse community to pay rates as part of the decision-making process. Consideration will be given at both the macro level (ie, generally affordability to most) and also at the micro level (ie, for a specific individual where rates rebates, remissions or postponement policies may be required).
- Value for money – any proposals must contribute to the strategic outcomes agreed with the community, and the total cost must be reasonable. The cost-effectiveness of the funding mechanism must be considered.
- Prioritisation of investment choices – careful consideration is given to investment choices and options, and priority given to core infrastructure investment and 'invest to save' options.
- Environmental sustainability – funding decisions will consider community outcomes Council seeks, including wider environmental and climate change impacts.
- Distribution of benefits – consideration is given to the distribution of the benefits from Council activities over identifiable parts of the community, the whole community or individuals (users). Where there are identifiable direct benefits, the proportion of costs associated with these benefits should be covered by the user(s).
- Growth pays for growth – the capital costs incurred to develop infrastructure that supports growth within the city should be primarily covered by those causing the growth and increasing the demand on Council infrastructure.

1. Good financial governance and stewardship – good stewardship of Council's assets and finances requires Council to ensure that its actions now do not compromise the ability of future councils to fund future community needs. Under this principle:
   a. assets must be maintained at least at current service levels to avoid placing a financial burden on future generations
   b. debt must not be used to fund operating expenditure other than in specific exceptional circumstances
   c. the level of debt is regularly reviewed to ensure that it is at a level that will not restrict a future council's ability to fund new assets through debt
   d. the consequential operational expenditure implications of capital expenditure decisions are considered.

Section D: Capital expenditure programme

Capital expenditure is categorised into renewals (renewing existing assets), service improvement (new assets that improve the services provided to the community) and growth (new assets required to accommodate growth within the city).

This financial strategy focuses on strong fiscal management whilst addressing growing demands for increased capital expenditure in core infrastructure assets such as the stormwater, wastewater, water supply and transport networks.

Over the next 10 years, Council plans to spend $1.5 billion on capital investment, 40 per cent of which is in the wastewater, stormwater and water supply area, and 28 per cent on transport. This significant capital investment will be funded largely by borrowings, development contributions, central government subsidies and rating for depreciation. This is a significant increase in investment from the previous 10-year plan and reflects the need to meet community expectations for our growing city in the context of ageing infrastructure.

Key investment in the plan includes:

1. three waters investment of $587M, which includes asset renewals of $397M together with investment for sustainable water supply, healthy urban waterways and reducing carbon emissions
2. transport investment of $406M, including asset renewals of $112M together with the investment for the Cross Valley Transport Connections project of $199M
3. investment in solid waste to the value of $43M, in city development to the value of $156M, in open spaces, parks and reserves to the value of $85M, in Naenae Pool to the value of $68M and in RiverLink to the value of $138M.

Figures 5, 6, 7 and 8 respectively show the cost of this programme by activity, spend per annum, the driver for the projects and the funding sources. This expenditure includes the cost of renewing existing assets that are coming to the end of their useful lives. It also includes the cost of improving existing assets and investing in new assets. Our asset management practices ensure we maintain service levels to at least current levels.

Figure 5: Total capital expenditure by council activity

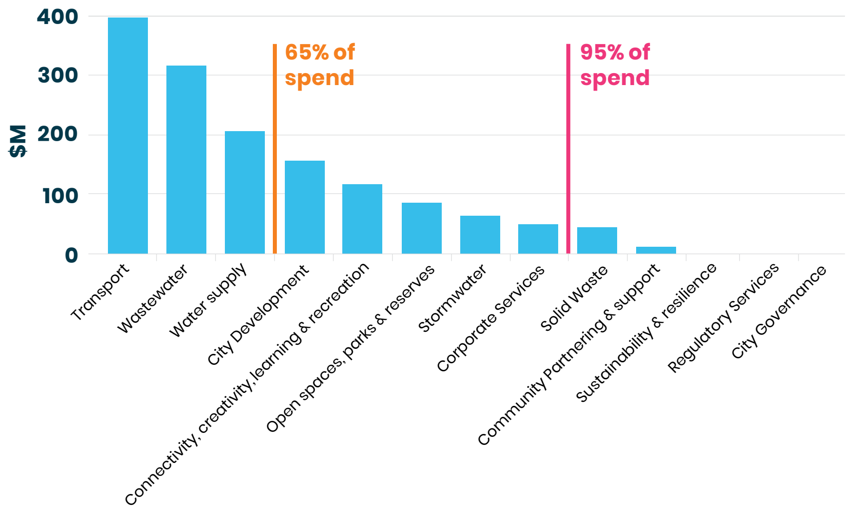


Figure 6: Total capital expenditure by year and council activity

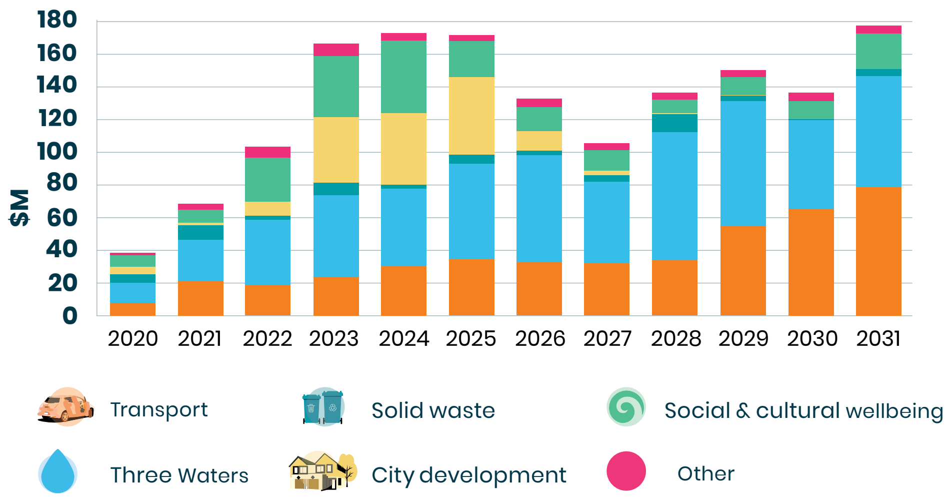


Figure 7: Total capital expenditure by driver

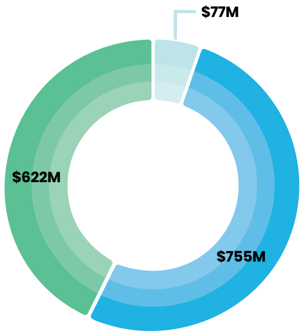
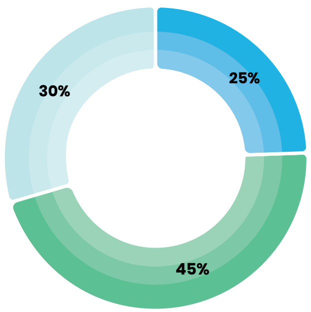


Figure 8: Capital expenditure funding sources



Renewals (looking after what we have)

It is important the Council continues to renew/replace assets to ensure our assets are fit for purpose and deliver the level of service that is required. Funding for renewal expenditure is from rates. By funding renewal expenditure, together with moving to a balanced budget (see Section G), this enables a financially sustainable asset replacement programme.

Growth

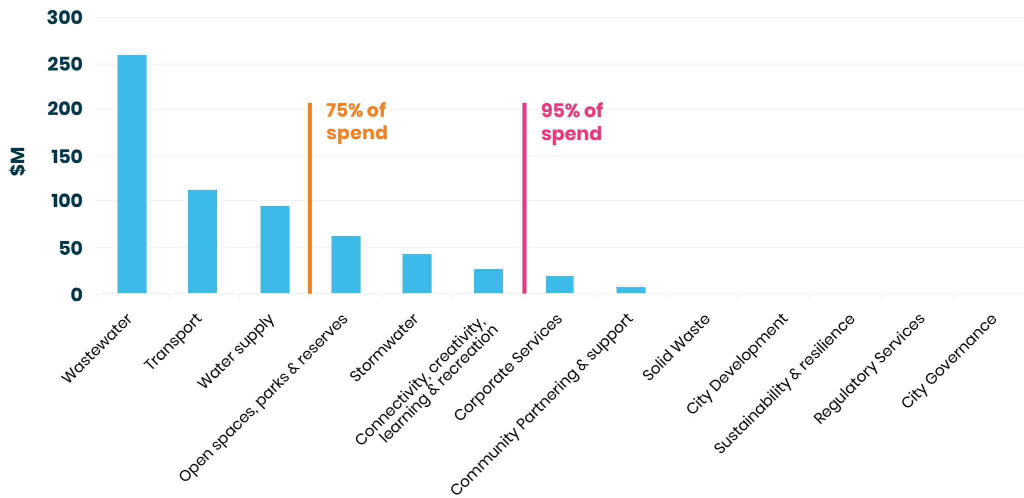
The population of the city at the 2018 Census was 108,700. The population is forecast to grow by around 12,000 people, an 11 per cent increase, by 2030. The growth in private dwellings is projected to be about 3,000 (8 per cent) over the same period.

Council's asset management plans and infrastructure strategy have taken these growth forecasts into consideration, and our existing assets, together with the growth projects included in the plan, will ensure the city continues to meet the levels of service outlined in this plan.

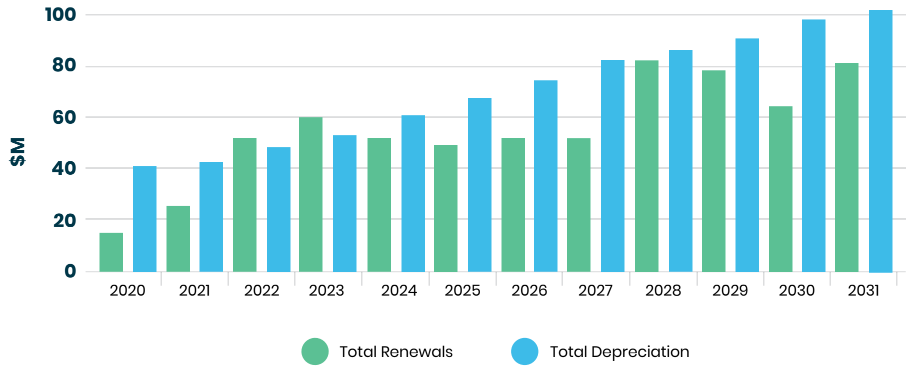
Total growth spend for the 10-year plan is $77M; this amount represents the growth portion of any capital project. Council uses development contributions to allocate the costs of growth to ensure equity between developers and ratepayers. The projected revenue from development contributions is estimated at $37.5M over the period of the plan; this will be a funding source for the growth-related capital works programme[3].

See the Infrastructure Strategy (see section 4) for further information on capital expenditure plans, together with asset information and service levels.

Figure 9: Summary of renewal expenditure by council activity



Fig, 10 - Capital Renewals compared to depreciation



2 All values are inflated numbers.
3 This revenue is based on the updated development and financial contributions policy effective from 1 July 2021. See Section 4.

Section E: Operational expenditure

The Council is forecasting operational expenditure of $2.7 billion over the life of the 10-year plan. This reflects the costs of continuing with the Council's programme to prioritise spend based on the key priorities (see Figure 11).

Council is forecasting that its operating expenditure will increase by 50 per cent from $213M to $334M between 2021/22 and 2030/31. The increase is largely as a result of:

1. growth – there will be more households in Lower Hutt, based on our growth assumptions of 1.1 per cent per annum
2. depreciation and interest payments – the increased capital expenditure programme means corresponding increases in the costs of servicing these assets
3. price increases – inflation and the factors that influence it will mean that it will cost increasingly more to do business. BERL forecasts that costs in general for the local government sector could increase by 29 per cent over the 10-year period of the plan.

As part of the Annual Plan 2020/21 emergency budget, the Council took a number of decisions that led to savings of $3M; these savings have an ongoing effect and reduce the rating impact. During September 2020, officers conducted a base budget review upon the request of Council. This process identified $2.2M of savings, which Council has applied to reduce the rating impact for the 10-year plan.

Council will continue to drive for efficiencies and revenue opportunities to reduce the rates burden into the future.

Figure 11: Total operating expenditure by council activity

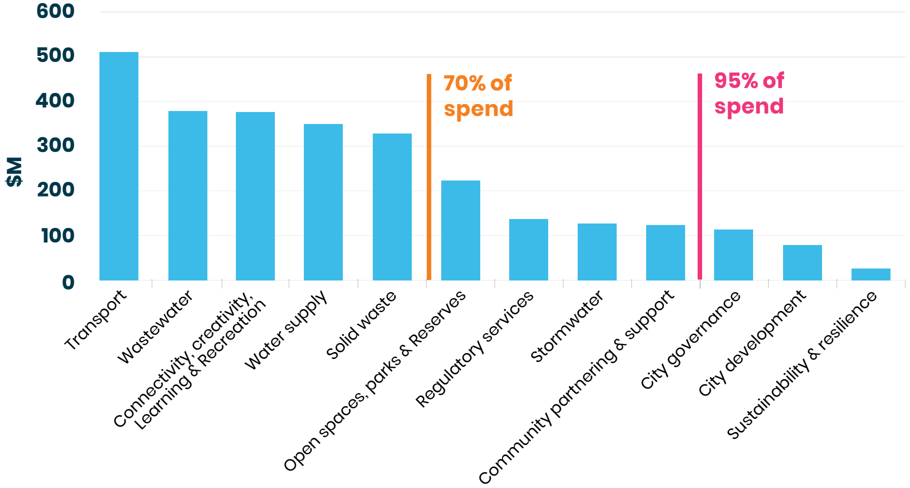
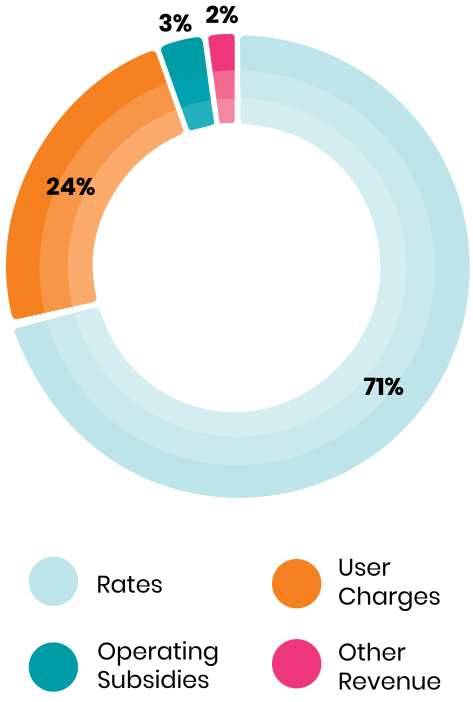


Figure 12: Revenue sources to fund operational expenditure



Section F: Borrowings and investments

Borrowings are a key component of recognising the intergenerational equity principle, and recognising that the cost of long-term assets should be met by ratepayers over the life of those assets. It is important that we prudently manage the amount of borrowings, while enabling continued investment in infrastructure and community assets.

In light of our significant capital expenditure plans, we will need to increase our debt to fund what is not provided for by way of capital subsidies, development contributions income and depreciation.

Figure 13 outlines our projected debt profile. The growth in debt over the life of the 10-year plan is from $184M to a peak of $573M in 2028/29.

The increase in Council's debt is the result of funding major infrastructure improvement and renewals works. Council has carefully considered the timing of the capital programme and the associated borrowing requirements to ensure that we can best meet the needs of current and future generations.

Managing debt in a prudent manner helps the Council build resilience and sustainability, as it provides the Council with the financial capacity to cope with exceptional circumstances.

The Treasury Risk Management Policy outlines different measures the Council uses to limit its level of debt; Table 1 summarises these. These limits are set at prudent levels, and are within the requirements of the Local Government Funding Agency. Council has reviewed the limits as part of the development of this 10-year plan; the net debt to total revenue limit has been increased to enable the funding of the increased investment programme and align with the intergenerational equity principle (see Figure 14).

Interest rate swaps are held as part of the interest rate risk management strategy, in line with the Treasury Risk Management Policy.

Table 1: Borrowing limits

Measure	Limit
Net interest to revenue	Below 10%
Net debt to total revenue	Below 250%
	Net debt can be increased to a maximum of 270% of total revenue at any time, provided that this is due to a significant natural disaster.
Net interest to annual rates income	Below 20%
Liquidity	Greater than 110%

Figure 13: Projected net debt compared to debt to revenue limit of 250 per cent

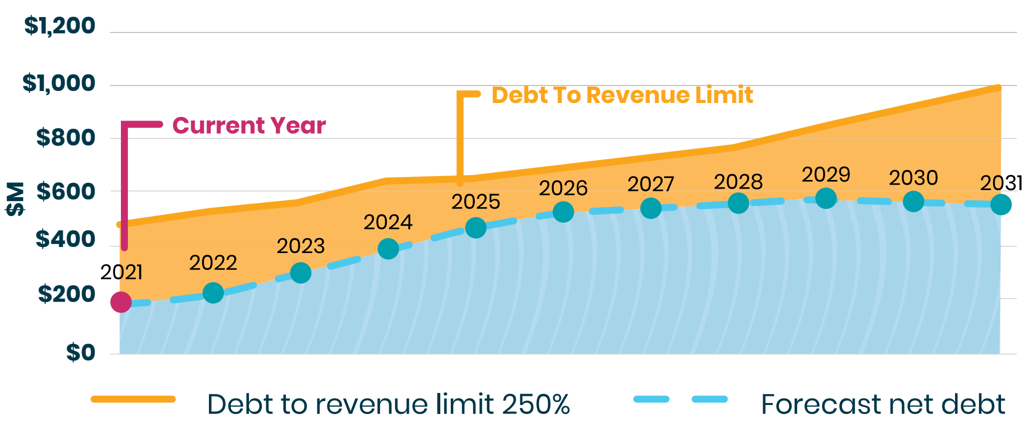


Figure 15: Projected interest to revenue ratio compared to limit of 10 per cent

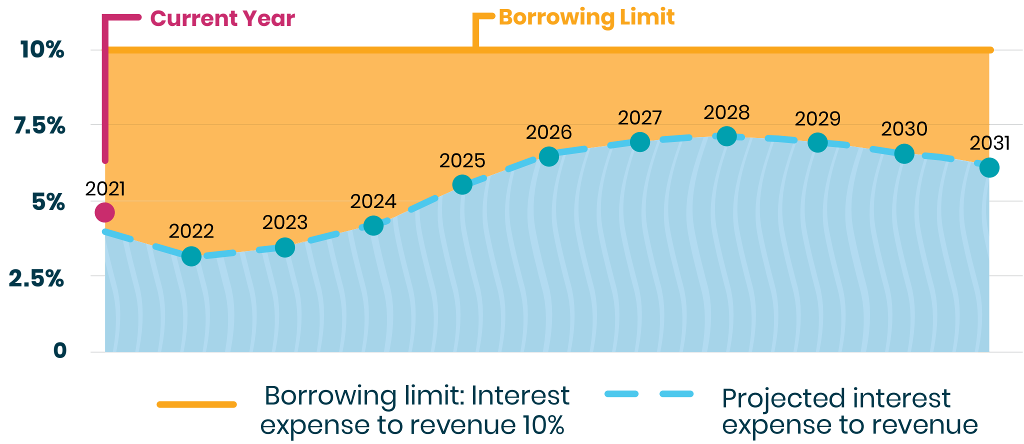


Figure 14: Projected net debt to revenue ratio compared to debt to revenue limit of 250 per cent

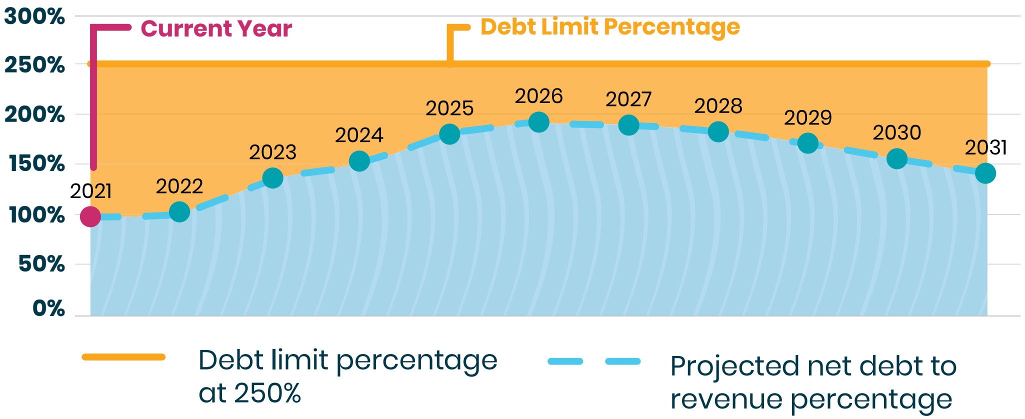
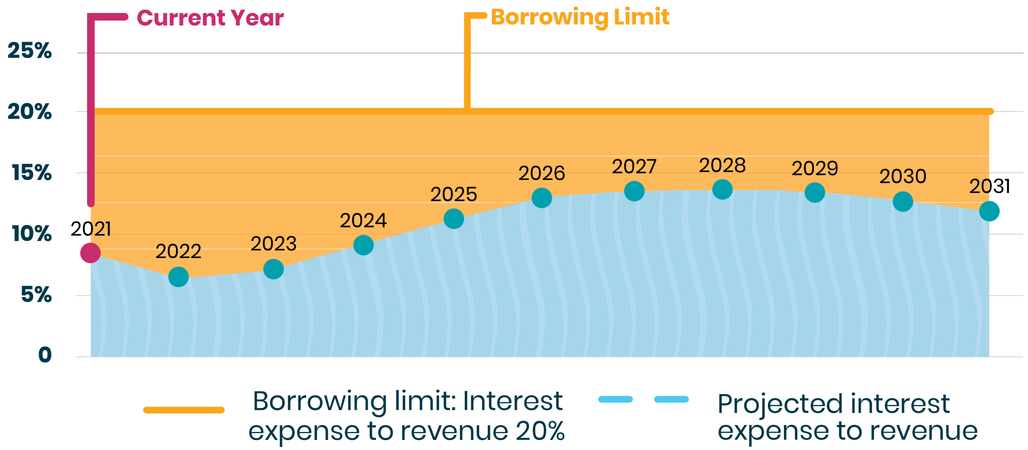


Figure 16: Projected net interest to annual rates income limit of 20 per cent



Managing our debt: We place reliance on a strong financial position to ensure we have the capacity to borrow, both for forecast expenditure needs and any unforeseen requirements that may arise. We manage the risks proactively and ensure we have appropriate levels of debt in accordance with our debt limits, with no significant concentrations of debt repayment in any one year, ensuring that working capital is maintained to meet ongoing commitments and that surplus cash is invested or used to repay debt. We also focus on collection of monies owed to ensure no concentrations of credit risk exist.

Council secures borrowing by way of a debenture trust deed that provides security over rating income.

Investments

Council has investments in several council-controlled organisations (CCOs), Civic Financial Services Ltd, the Local Government Funding Agency, property and cash.

The 10-year plan assumes that there will be no material return on investments from the CCOs, but rather that profits generated will be applied to reinvestment in the business or to repayment of borrowings to the Council.

Cash investments: Council maintains liquidity and credit facilities to minimise financial risk and maintain secure and cost-effective funding sources to meet financial needs. In managing its liquidity, cash is invested on short-term deposit to manage cash flows and maximise returns. Surplus cash is placed on call or term deposits as appropriate.

Property investments: Council has a small property portfolio with which it seeks to achieve market returns. These properties are largely held for strategic reasons, such as the RiverLink project. A property sales programme exists and will continue to deliver sales; however, Council expects these to be relatively minor for the life of the Long Term Plan.

For further details on borrowings and investments are available in our Treasury Risk Management Policy.

Section G: Balancing the budget

A guiding principle of this financial strategy is about the importance of a balanced budget. This means that projected operating revenue over the lifetime of the LTP is set at a level sufficient to meet projected operating expenses, ensuring that current ratepayers are contributing an appropriate amount towards the cost of the services they receive or are able to access, i.e. 'everyday costs are paid for from everyday income'.

We need to move towards a sustainable position, balancing the budget over the medium term. The capital investment programme and cost pressures in the 10-year plan, together with limitations on revenue, particularly due to affordability issues of rates, makes this very challenging. The 10-year plan projects a balanced budget position being achieved in 2028/29 (see Figure 17).

The LGA requires Council to budget each year for operating revenue at a level sufficient to meet operating expenses budgeted for that year. This is known as the 'balanced budget' requirement. The LGA allows councils to budget for a deficit, if it resolves that it is financially prudent to do so.

In assessing whether a particular decision is financially prudent, Council gives consideration to:

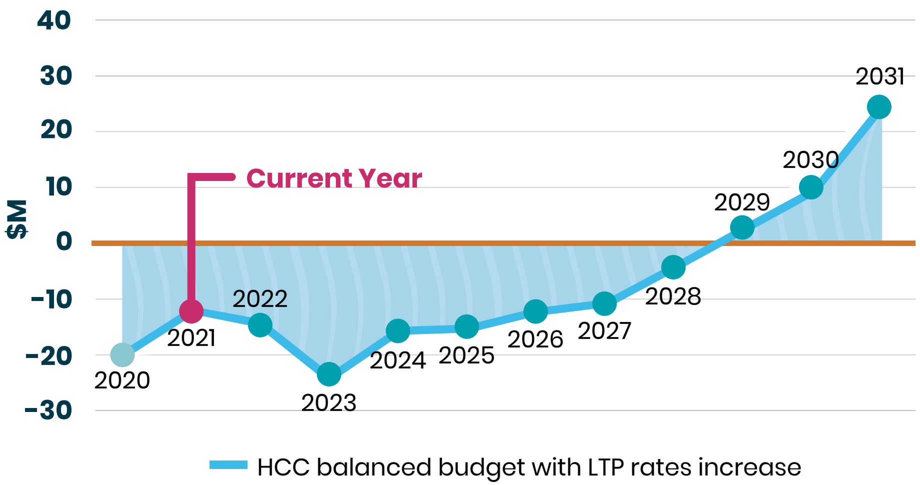
- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the 10-year plan, including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life
- the projected revenue available to fund the estimated expenses associated with maintaining the service – capacity and integrity of assets throughout their useful life
- the equitable allocation of responsibility of funding the provision and maintenance of assets and facilities throughout their useful life
- the funding and financial policies adopted under section 102 of the LGA.

We acknowledge that we run deficits from a balanced budget perspective mainly due to revenues not covering the full cost of depreciation. Council will use the following financial levers to move progressively towards achieving a balanced budget: fees and charges, rating for depreciation, development and financial contributions, efficiencies, debt repayment and rates setting.

The 10-year plan projects that Council will not achieve the balanced budget target for a number of years: until 2028/29. Council has considered the level of rates revenue in light of a number of factors, including the legislative requirement for financial prudence, as well as the economic environment as a result of COVID-19 (see Section H). Setting rate levels to achieve a balanced budget earlier would increase the rates burden for ratepayer, and there are concerns about affordability. Adopting some smoothing of the impact over a number of years results in the best fiscal and sustainable outcome.

The projected balanced budget position provides a pragmatic balance between managing the pressures on current ratepayers and ensuring the Council remains financially sustainable into the future, whereby the actions of today do not significantly impact unfairly on ratepayers in the future. It is financially prudent and in line with the legislative requirements due to the longer-term plans for rates revenue generation and repayment of debt occurring to avoid a significant impact on future ratepayers. The level of funding also enables Council to maintain its levels of service and undertake asset renewals, and is consistent with the Revenue and Financing Policy.

Figure 17: Projected balanced budget position



Note: 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 NZ Transport Agency's capital improvement subsidies and central government's COVID-19 Response and Recovery co-funding for Naenae Pool and the Eastern Bays Shared Path. See Appendix 1 for further information.

Table 2: CCO investments

Entity	Shareholding/control percentage	Principal reason for investment	Budgeted return
Urban Plus Ltd and Group	100%	Housing	Nil
Seaview Marina	100%	Marina services	$0.2M from 2023/24
Hutt City Community Facilities Trust	100%	Community facility development	Nil
Local Government Funding Agency	0.4%	Borrowing	Nil
Civic Financial Services Ltd	4.27%	Risk management	Nil

Section H: Rates and rates increases

Rates revenue is the amount Council requires to provide services to residents and ratepayers after allowing for other income, such as fees and charges, grants and subsidies. The Council has a high dependency on rates revenue as its principal source of income. As Figure 12 shows, 70 per cent of operating expenditure is funded from rates over the life of the 10-year plan.

Affordability of rates is a key principle of the Financial Strategy. It was front of mind as the 10-year plan was developed and rates increases considered. The Revenue and Financing Policy has been carefully reviewed, and includes changes to rating policy aspects to further address affordability concerns.

Council has determined its rates increases based on a number of factors, including the levels of service it wants to provide and its capital programme. The increases reflect the guiding principles and issues referred to earlier in this strategy, including the challenge of achieving a balanced budget. The economic environment that has resulted from the COVID-19 pandemic entails some uncertainty and financial challenges.

Some level of smoothing of rate changes can provide more certainty to residents; Council considers this to be a better approach. Council has applied this approach in its projected rates increases for the 10-year plan.

The three waters Reform programme currently under way led by central government is another consideration. This is likely to result in a very different landscape for all councils across New Zealand when they prepare long term plans for 2024–2034. Potentially all (or some) of the current three waters assets and related borrowings will transfer from council balance sheets to the new entities. There is a lot of uncertainty as to what the future holds in this area; as a result, the 10-year plan assumes that Council will retain the current three waters infrastructure. The projected rates increases have been considered in light of this. Years 4 to 10 present slightly higher rates increases than years 1 to 3. The key reason for this is that Council expects that new central government funding for three waters will become available in the later years, and will help provide some relief to ratepayers; this can be adjusted for through the next long term plan process.

The LGA requires the Council to quantify its limits on rates increases: see Table 3.

Council believes that the Local Government Cost Index (LGCI) is the most appropriate index to reflect the cost increases Council is subject to. The LGCI index is independently determined each year by BERL and is widely used by councils throughout New Zealand. BERL index numbers do assume a constant volume impact and only represent the 'price' increase over time for the same level of activity. Lower Hutt is a growing city that is constantly faced with increased volumes of assets it has to manage, and so the impact on rates will be greater than the BERL increases.

It is important to distinguish between the increases in rate revenue from year to year and the average rate increase. Our revenue does not only reflect the impact of rates increases to the average ratepayer; it also includes rate revenue received from the growth in new rateable properties each year, which are expected to be about 1.1 per cent per annum.

Further information about the indicative rating impact for the average ratepayer by category and suburb is available in the Rates Funding Impact Statement (refer section 6).

Table 3: Summary of projected rates increase limits and projected rates

Entity	2021/22	2022/23	2023/24	2024/25	2025/26	2026/27	2027/28	2028/29	2029/30	2030/31
Projected rates income[4] ($M)	129.5	138.5	148.2	160.5	173.8	188.2	203.8	220.7	239.0	258.7
Rates revenue increase[5]	5.9%	5.9%	5.9%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%	7.2%
Rates revenue increase for refuse and recycling service changes[6]	7.3%									
Local Government Cost Index benchmark	3.2%	2.9%	2.9%	2.9%	2.9%	2.8%	2.9%	2.9%	2.9%	2.7%
Assumed growth in rating base	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%	1.1%

4 These figures include inflation but exclude GST.

5 These figures do not take into account additional income from new properties in the city each year. Property growth is assumed to be around 1.1 per cent annually.

6 Changes to refuse and recycling services were consulted on in 2020, and the final 10-year plan amendment approved on 27 October 2020. The implementation date for these changes is 1 July 2021. There will be offsetting cost savings for homeowners, as they will no longer need to purchase rubbish bags or pay for private rubbish collection service.

Appendix 1: Further explanation about our approach to the balanced budget

The Local Government (Financial Reporting and Prudence) Regulations 2014 established eight benchmarks against which all councils must report. One of these benchmarks is the balanced budget, defined as 'Council Revenue excluding development contributions, vested assets, gains on derivatives and revaluations of property, plant and equipment as a proportion of operating expenses – excluding losses on derivatives and revaluations'. This definition includes Waka Kotahi NZ Transport Agency capital subsidies as revenue and assumes councils fully rate for depreciation.

Depreciation spreads the capital cost of assets over their useful lives, so that each generation of ratepayers pays for their share of the use of the asset. Not fully funding for depreciation may place a burden on future ratepayers, who have to pay for the asset replacement. Funding depreciation supports the intergenerational equity principle, whereby everyone who benefits from use of an asset pays for their share over the asset's useful life. By rating for depreciation, we are providing cash to fund the capital renewal programme. Depreciation is, however, based on a number of assumptions and may not reflect the actual future asset renewal funding requirements (eg, due to the long life of infrastructure assets).

For our roading assets, it is not necessary to fully fund depreciation, as we receive a Waka Kotahi NZ Transport Agency capital funding subsidy. We need to provide funding for 'our share' of the expenditure. Council has some significant projects, such as the Cross Valley Transport Connections and cycleways programmes, which we have assumed will be funded by Waka Kotahi NZ Transport Agency in the financial projections. The Waka Kotahi NZ Transport Agency funding of the capital improvements is significant, at $123M. In assessing our balanced budget target we have applied the Local Government (Financial Reporting and Prudence) Regulations 2014 definition, modified to exclude the Waka Kotahi NZ Transport Agency capital improvement subsidies from the calculations of revenue. The reason for this Waka Kotahi NZ Transport Agency adjustment is that the funding is not available to meet our day-to-day operational costs. In a similar way we have also modified the definition of revenue to exclude central government COVID-19 Response and Recovery co-funding for the Naenae Pool project and Eastern Bays Shared Path project.

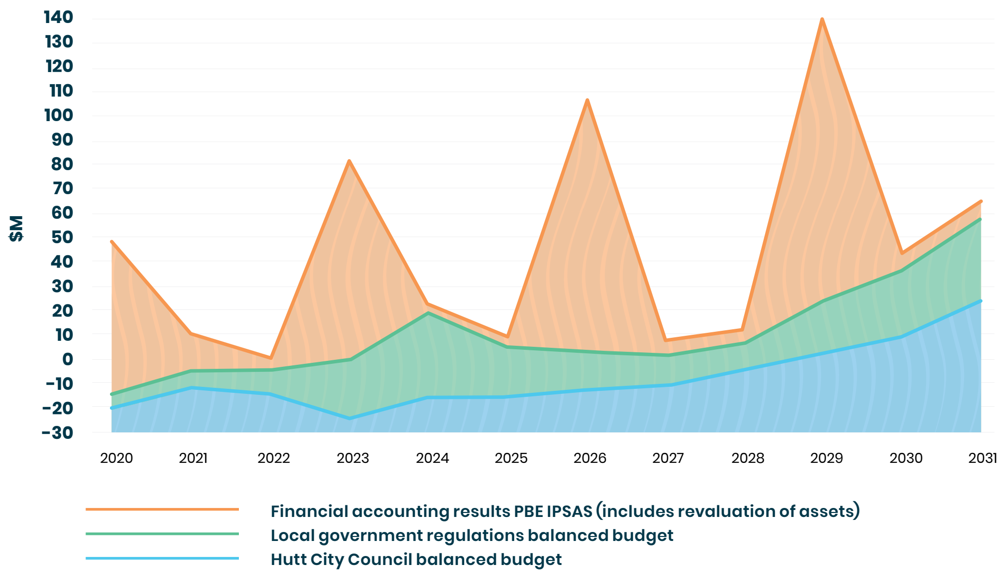
Understanding the operating surplus/(deficit)

Figure 18 shows a comparison of the projected operating results based on three different methods: financial accounting standards (orange line), the local government balanced budget benchmark method (green line) and the Hutt City Council balanced budget method as described in Figure 17 (blue line).

The projected financial accounting results (orange line) include non-cash items such as 'income' from vested assets and the impacts of revaluations of assets resulting in three-yearly peaks. These accounting results reflect the accounting position as meeting all the Public Benefit Entity International Public Sector Accounting Standards (PBE-IPSAS) reporting standards. The large spikes in favourable results are a result of the accounting requirement to revalue assets, which is assumed to occur every three years.

Although there are projected accounting operating surpluses for most years of the plan (orange line), there are projected balanced budget benchmark deficits (green line) until 2027/28 and Hutt City Council balanced budget deficits until 2028/29. Part of the income we receive is from Waka Kotahi NZ Transport Agency in the form of a subsidy for expenditure on our roading network. The subsidy is to cover both operating and capital expenditure. The capital component needs to be spent on capital items, and is not available to meet the day-to-day operational costs. This funding is reflected in the orange and green lines and hence the projected results are more favourable. In the Hutt City Council balanced budget projection, the ring-fenced funding for Waka Kotahi NZ Transport Agency funded capital improvement works has been excluded, as well as the central government COVID-19 Response and Recovery co-funding for Naenae Pool and the Eastern Bays Shared Path. Excluding this ring-fenced funding from the operating results provides more accuracy in terms of the projected underlying operating result.

Figure 18: Projected financial results



Revenue and Financing Policy

Section A: Introduction

A wide number of funding sources are available to Council to fund its activities, ranging from general and targeted rates through to fees and user charges.

This policy outlines Council's approach to funding its activities. It provides information on what funding tools are used and who pays, as well as describing the process used to make these decisions.

This policy should be read in conjunction with the Funding Impact Statement (see section 6). The Funding Impact Statement is the mechanism used to implement the Revenue and Financing Policy, and provides detail on how rates are set.

Section B: Changes to the policy

As part of the 10-year plan, the Council made a number of changes to the Revenue and Financing Policy. The key matters are summarised below; further detailed information is provided later in the policy.

Approach to rating differential categories

Following a review undertaken by Council for the 10-year plan, and in making its judgement under "step two" outlined in Section C, Council has considered rating policy including affordability and approaches to reduce fluctuations caused by differences in valuation movements between differential rating categories.

Council will apportion the general rate between the residential, commercial and utility property categories based on a percentage applied to each category group. A percentage approach helps to reduce fluctuations in the general rate caused by valuation movement differences between categories; this should provide greater stability of rates charges.

Council has considered rating policy and the impact on affordability of rates for all ratepayers in the city. As a result, the Council will reduce the percentage of rates paid by the residential rating category from 63 per cent to 60 per cent over a three-year period from 2021/22, with a corresponding increase in commercial rating categories.

Section F of this policy provides further detailed information in relation to this change.

Consolidation of commercial differential rating categories

From the 2021/22 year, Council is consolidating the number of commercial differentials from the previous four (Commercial Central, Commercial Suburban, Commercial Queensgate, Commercial Accommodation) down to two categories, being Commercial Central and Commercial Suburban.

This entails two underlying changes:

1. combining differential rating categories for Commercial Central with Commercial Queensgate
2. removing the differential rating category for Commercial Accommodation, by merging these properties into either Commercial Suburban or Commercial Central based on location.

The changes are on the basis that the new categories better reflect the differences in services provided by the Council to the ratepayers in those categories.

Rural differential category definition

Council has changed the definition of what properties should be rural ratepayers to align the definition of the rural rating category with the definition of rural in the District Plan. The approach improves definition clarity, supports legal compliance and provides longevity to the policy, as property rating will naturally change with land use over time.

New refuse and recycling service

Following an extensive review process and formal consultation, Council has decided to introduce a new weekly kerbside rubbish and fortnightly recycling collection service, paid for through rates, from 1 July 2021. It will also offer a new green waste collection service.

The new services will be fully funded through targeted rates. As a result, two new targeted rates will be introduced from 2021/22:

1. refuse, per extent of service provision per separately used or inhabitable part (SUIP)
2. green waste, per SUIP that opts into the scheme.

A recycling targeted rate is already in place. However, a new recycling service with wheelie bins for mixed recycling and crates for glass will replace the previous crate-only system. This has resulted in an increase in the targeted rate to fund the new wheelie-bin service.

New wastewater and stormwater repair financial assistance

A voluntary targeted rate to provide financial assistance to those ratepayers required to undertake repair and/or replacement of wastewater and stormwater pipes located on their property.

A change to the Rates Postponement policy will allow payment of this voluntary rate to be extended over several years.

Section C: How does Council decide what is funded from where?

Council determines appropriate funding sources using a two-step process on an activity-by-activity basis.

Step One

The funding needs of Council must be met from what Council determines to be the most appropriate funding source for each activity following consideration of:

- the community outcomes to which the activity contributes
- the distribution of benefits between the community as a whole and any identifiable parts of the community and individuals
- the period over which the benefits are expected to occur
- the extent to which the action or inaction of particular individuals or groups contributes to the need for the activity to take place
- the costs and benefits of funding an activity distinctly from other activities.

Council has considered the matters above for funding operating and capital expenditure arising from Council's activities.

Section D provides an explanation of the funding tools for operating expenditure. Section E discusses the funding tools for capital expenditure funding and the principles applied in their use.

The funding needs analysis in Section G provides a more detailed discussion of the use of different funding tools for operating and capital costs and the reasons for the allocation of costs to various sectors of the community for each activity.

Step Two

The second step in the process is for Council to apply its judgement to the overall impact of any allocation of liability on the current and future social, economic, environmental and cultural wellbeing of the community. In exercising this judgement, Council considers the following:

- the impact of rates and rates increases on residential properties, and in particular on the affordability of rates and rates increases for low, average and fixed-income households
- the impact of rates and rates increases on businesses and on the competitiveness of Lower Hutt as a business location
- the fairness of rates (and changes in rates) relative to the benefits received for 'stand-out' properties with unusually high capital values
- the special characteristics of particular classifications of property – including their purpose and proximity to the city
- the complexity of the rating system and the desirability of improving administrative simplicity
- the change in relative rateable values between types of properties.

As the General rate is a general taxing mechanism, shifting the 'differential factor' for each sector's share of the city's overall capital value is the principal means that Council has used to achieve the desired overall rates impact on the wider community. Council considered the application of this in terms of affordability for all sectors in applying the general rate differentials.

Section D: Funding of operating expenditure

The policy sets target funding bands for the main funding sources for each activity. The funding bands are:

High	80–100%
Medium/high	60–79%
Medium	40–59%
Medium/low	20–39%
Low	0–19%

General rates

General rates provide Council's largest source of funding.

General rates are used to help fund activities where the Council has concluded that the whole community or city benefits. This is sometimes referred to as a public good that can demonstrate the following characteristics:

- non-rival – the enjoyment by one person does not prevent the benefit from being enjoyed by others. An example is street lighting
- non-excludable – no person or group can easily be prevented from enjoying the benefit. An example is a beach or park.

In these cases, all ratepayers pay towards the cost of the activity. Where the activity also provides benefits to individuals or parts of the community, rates are used to fund the balance of costs after the potential for user charges has been exhausted.

Council sets general rates based on the capital value of properties. Capital value is used because, in the main, it reflects the ability to pay better than the alternatives of land value or annual value.

What each ratepayer pays depends on the capital value of their property relative to the value of other properties, and on the share of the general rate that has been allocated to each sector of the community (residential, commercial and utilities).

Uniform annual general charge

Council also has the option to assess a uniform annual general charge (UAGC). A UAGC recovers a portion of general rates costs as a fixed amount per rating unit. Such fixed charges tend to have a disproportionate impact on low-income households, as the charges make up a higher proportion of such a household's income. For this reason, Council does not currently utilise a UAGC. Council does, however, use fixed amounts for some targeted rates.

Targeted rates

Council uses targeted rates where it has decided that the cost of a service or function should be met by a particular group of ratepayers (possibly even all ratepayers) or in order to provide greater transparency about the use of the funding. There is considerable scope to set rates for a specific function (eg, water), target a rate on a specific geographic area (eg, Jackson Street), or set different levels of rates for different property types (eg, a promotion levy targeted on Commercial Central properties).

The refuse and green waste targeted rates are new rates in the 2021/22 financial year as part of the Council's changes to its refuse services and introduction of a new green waste service options. The new service will also include changes to the Council's recycling service that flow through the recycling targeted rate already in place.

A voluntary targeted rate to provide financial assistance to ratepayers who are required to fund the repair and/or replacement of wastewater and stormwater pipes on their properties is a new rate in the 2021/22 year.

Fees and charges

User charges are used where there are strong benefits to individuals or parts of the community from an activity and it is feasible to collect fees.

User charges contribute to the cost of some facilities (such as swimming pools) and also fully or partly meet the cost of regulatory services, such as those under the Building Act 2004 and Resource Management Act 1991.

Similarly, Council has the ability to fine people and businesses for certain rule infringements. The amount of income derived through these fines depends on the level of non-compliance and the amount of effort Council puts into enforcement activities.

Other funding sources

Council's other main funding sources for operating expenditure are grants and subsidies. Waka Kotahi New Zealand Transport Agency funding assistance for road maintenance makes up the majority of this funding. Other central government funding is available for some services and initiatives, such as Three Water Reform funding and the COVID-19 Response and Recovery Fund.

Council does not intend to use borrowing, proceeds from asset sales, development contributions or financial contributions to help fund operating expenditure unless the sources identified above are insufficient to meet its revenue needs.

Section E: Funding of capital expenditure

Council funds capital expenditure mainly from borrowing and then spreads the repayment of that borrowing over several years. This enables Council to better match funding with the period over which benefits will be derived from assets, and helps ensure intergenerational equity. Borrowing and repayments are managed within the framework specified in the Liability management section of the Treasury Risk Management Policy.

In some cases other funds are available to finance capital expenditure. Such other funds include:

- development contributions under the Local Government Act 2002 to help fund council planned growth-related capital expenditure for roading and transport, stormwater, wastewater and water
- financial contributions under the Resource Management Act 1991 to help fund growth-related capital expenditure on recreation reserves, and for other infrastructure where individual developments give rise to capital expenditure that is not planned, and therefore is not included in Council's Development Contributions Policy
- contributions towards capital expenditure from other parties, such as Waka Kotahi New Zealand Transport Agency (in relation to certain roading projects), Crown Infrastructure Partners (COVID-19 Response and Recovery Fund) and Upper Hutt City Council (in relation to joint wastewater activities)
- annual revenue collected through rates to cover depreciation charges
- proceeds from the sale of assets not otherwise used for debt reduction
- operating surpluses.

Section F: General rate differential factor

The general rate payable on each category of property is expressed as a rate in the dollar of capital value. These different rates in the dollar for different property categories are known as 'differential factors' and are determined following the completion of step two of the process (which is designed to allow the Council to apply its judgement on the overall impact on the community).
This judgement includes the consideration of the matters in step two above, including activity areas where the benefits of the activity are not considered to be equally shared among the community. These are:

- roading and traffic – general rates are weighted towards the commercial and utility sectors because of the particularly high use of the roads (or road space) by these sectors. Trip generation data is used as an indicator of the cause and benefit of this activity's costs – this data shows that the commercial/utility and residential sector trip generation is 72 per cent and 28 per cent respectively. The share of general rates costs is allocated accordingly
- stormwater - general rates are weighted towards the commercial sector to reflect the fact that it accounts for approximately 31 per cent of the city's impervious area (after making an allowance for roads). The share of general rates for stormwater is allocated on this basis.

Following a review Council undertook for the purposes of the 10-year plan, the general rate will be apportioned between residential, commercial and utility categories based on a percentage applied to each category group. A percentage approach helps to reduce fluctuation in the general rate caused by valuation movement differences between categories.

In 2020, the Council suspended their previous differential transition policy. Because of the significant changes in the relative capital values in the 2019 rating valuation, the allocations of general rate based on continuing the differential transition would place an increased burden on residential properties.

Council considered the impacts of the 2019 rating valuation on the affordability of rates for all ratepayers. It was particularly concerned that the increase in the amount residential ratepayers will contribute to the general rate, without any change, reduces affordability of rates for residential ratepayers. Council considers that affordability is an important factor when considering the overall impacts of funding allocations.

For the 10-year plan Council considered the matters in step two above and options for modifying the differentials as overall impact adjustments. It weighted the competing interests of different sectors of ratepayers as set out in the step two process (see Section C), particularly the different abilities of the residential and commercial sectors to accommodate rate increases at this time, and the impacts of those increases, particularly on rates affordability. In its judgement, the interests of residential ratepayers were more pressing, and differential adjustments should be made to reduce the rates incidence on this sector.

The General Rate for Rural rating units is differentiated on the basis of perceived distance to Council services. Rating units to which this differential will apply are those within Rural activity areas in the Council's operative District Plan. The indicative percentages to be applied under the new policy are as follows (including 2020/21 as a comparator):

Differential category	2020/21	2021/22	2022/23	2023/24
Residential	63%	62%	61%	60%
Commercial Central	7.2%	7.5%	7.8%	8.0%
Commercial Suburban	23.3%	23.9%	24.5%	25.3%
Utility	5.2%	5.4%	5.4%	5.4%

In 2021/22 the Council will commence a three year transition to the percentage applied to achieve these percentages. This equates to a 1 per cent decrease in the residential percentage each year and a corresponding increase across commercial differential rating categories. Figure 1 shows the impacts of the previous transition policy and the effect of the implementation of the new approach by Council.

For the smaller rural and community facilities differential rating categories a standard differential multiplier will be applied. This reflects the fact that small changes in the category may significantly impact average rates on individual properties if a percentage was applied.

The differential factors for these categories are:

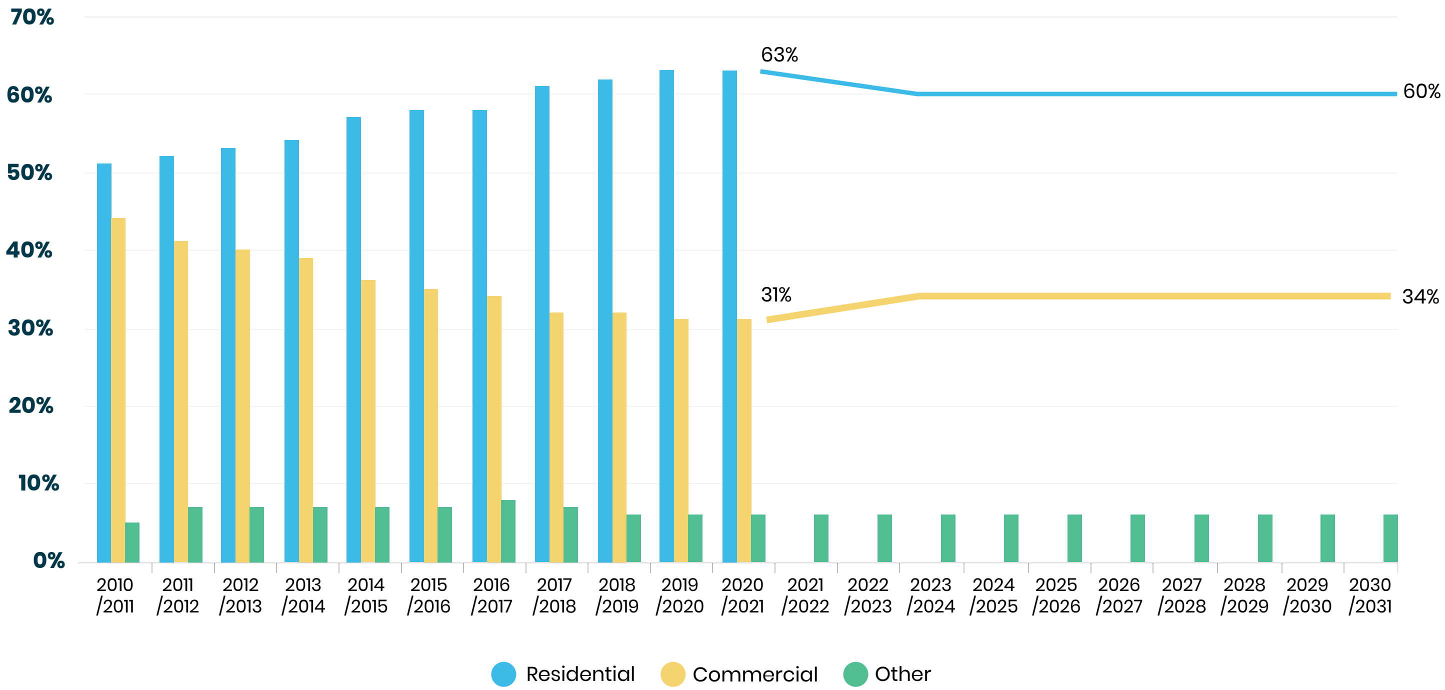
- Rural 0.747
- Community Facilities 1 1.000
- Community Facilities 2 0.500
- Community Facilities 3 2.344

The following differential factors will be applied across all differential categories in 2021/22 to give effect to category percentages.

- Residential 1.00
- Commercial Central 2.997
- Commercial Suburban 2.781
- Community Facilities 1 1.000
- Community Facilities 2 0.500
- Community Facilities 3 2.344
- Rural 0.747
- Utility 2.842

This policy should be read in conjunction with the Funding Impact Statement which provides further details on how rates are set.

Graph 1: Change over the last ten years in the allocation of rates charges between property rating categories and the approach for the 10-year plan



Section F: Summary of operational funding sources

Range Name	Range	Key
Unlikely	0	✗
Low	0-19%	✓
Medium/Low	20-39%	✓
Medium	40-59%	✓
Medium/high	60-79%	✓
High	80-100%	✓

Activity	Fees and charges	Grants, subsidies and other	General rates	Targeted rates	Development contribution	Financial contributions	Borrowing
Transport	✓	✓	✓	✗	✗	✗	✗
Water supply	✓	✓	✓	✓	✗	✗	✗
Wastewater	✓	✓	✓	✓	✗	✗	✗
Stormwater	✓	✓	✓	✗	✗	✗	✗
Solid waste	✓	✓	✓	✓	✗	✗	✗
City development	✓	✗	✓	✗	✗	✗	✗
Community partnering and support	✗	✓	✓	✗	✗	✗	✗
Open spaces, parks and reserves (including cemeteries)	✓	✓	✓	✗	✗	✗	✗
Libraries	✓	✓	✓	✗	✗	✗	✗
Museums	✓	✓	✓	✗	✗	✗	✗
Aquatics and recreation	✓	✗	✓	✗	✗	✗	✗
Animal control	✓	✓	✓	✗	✗	✗	✗
Building consents and resource consents	✓	✓	✓	✗	✗	✗	✗
Public health activities	✓	✗	✓	✗	✗	✗	✗
Emergency management	✗	✓	✓	✗	✗	✗	✗
Sustainability and resilience	✗	✓	✓	✗	✗	✗	✗
City governance	✗	✓	✓	✗	✗	✗	✗

Section G: Funding needs analysis

Activity	Background	Rationale	Funding sources and bands
Transport			
	The transport activity consists of five sub-activities – road assets, traffic assets, road safety services, active modes and parking. Council operates, maintains and renews the road asset, which includes footpaths, throughout the city. Traffic control measures are used to ensure the efficient and safe movement of motor vehicles, cyclists, pedestrians and other forms of transport. Road safety programmes and interventions are managed to improve the safety outcomes of all users on our transport network. Walking, cycling and micromobility initiatives are managed to enable safe and efficient mode choice across our transport system. Parking involves the provision, maintenance and regulation of on-street and off-street carparks in the commercial areas of the city. The location and regulation of carparks is designed to ensure fair, easy and efficient access to the city's commercial areas.	Council has no direct means to charge individual users of the local network on a user-pays basis. Therefore most of the expenditure is funded directly from general rates revenue (and government subsidies). Trip generation is a useful base indicator benefit between ratepayer categories. Trip generation of the Commercial/Utility and Residential sectors is estimated at 72 per cent and 28 per cent respectively. The net cost to council of major projects with benefits over several decades, will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure. Revenue generated from controlled parking is used to offset the costs of providing the activity.	**Operational costs** • general rates – Medium/high • grants, subsidies, and other – Low • fees and charges – Low
	Community outcome	Economic Wellbeing	
	Who benefits	Roading assets: Many of the benefits of roading networks accrue to individuals or businesses. To a large extent, this is reflected in the subsidies Council receives from government for roading, which are ultimately funded from fuel excise, road user charges and vehicle registration charges. However, Council must cover the remainder of the unfunded component. Trip generation can be used as an indicator of both the cause and benefit of this activity's costs. Traffic assets: Traffic assets provide a range of benefits widely dispersed among the community, and for which there is little ability to charge, or sense in charging, individuals for the benefits they receive. Road safety services: Road safety services provide a range of benefits for all mode users across the network, for which there is little ability to charge, or sense in charging, individuals for the benefits they receive. Active modes: Active mode initiatives encourage behaviours that benefit health, wellbeing and the environment and there is no appetite to charge individuals for the benefits they receive. Parking: The benefits of on-street parking largely accrue to the individuals or groups involved. Controlled parking is provided in key business and shopping areas for the benefit of business. However, charging and actively monitoring parking in most areas, such as most urban neighbourhoods, is simply not practical or cost-effective – although some time restrictions may still apply. Consequently, a large proportion of the cost is simply absorbed into the roading budget, and funded accordingly. The primary beneficiaries of growth-related infrastructure are the developments that can be undertaken and the businesses and residents that occupy new sites. If, and to the extent that, investment in infrastructure benefits growth and existing residents, this is reflected in the allocation of costs between growth and levels of service or renewal.	
	Period of benefit	The benefits of transport facilities are ongoing and spread over the long-term. These intergenerational benefits support the ongoing use of debt financing for associated capital works.	
	Whose acts create a need	Heavy vehicles create an additional cost to Council because of the increased wear they impose on roads, and the need to have wider roads to accommodate them. The need to undertake street cleaning is partially caused by the actions of individuals littering or dumping. In areas with a high concentration of parking demand, it becomes necessary and cost-effective to manage parking, allowing much of the cost associated with these parks to be recouped through parking charges and/or fines.	
	Separate funding	Council considers that there is little benefit of separate funding of this activity.	
Water Supply			
	This activity involves the supply of high-quality drinkable water for domestic and commercial use. Council purchases bulk water from Greater Wellington Regional Council, and this accounts for a significant portion of the total cost of water supply to the city. Water is then distributed around the city through the local pipe network. Council's ownership of the pipe network is historical. There is a legal requirement for Council to retain control of these assets.	In the absence of metering, targeted rates can be seen as a proxy for user charges. All connections are charged the targeted rate, and this is assumed to cover the supply of the average residential user. Commercial water users are charged on a metered rate for water consumption. Major projects with benefits over several decades will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.	**Operational costs** • targeted rates – High • general rates – Low • grants, subsidies and other – Low • fees and charges – Low
	Community outcome	Environmental Wellbeing	
	Who benefits	Much of the benefit from this activity is considered to be private to the people who obtain and use the water. Public health benefits arise out of the treatment of water-borne diseases. The primary beneficiaries of growth-related infrastructure are the developments that can be undertaken and the businesses and residents that occupy new sites. If, and to the extent that, investment in infrastructure benefits growth and existing residents, this is reflected in the allocation of costs between growth and levels of service or renewal.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	Properties and users who either waste or use excessive amounts of water	
	Separate funding	Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.	

Activity	Background	Rationale	Funding sources and bands
Wastewater			
	Council ensures the treatment and disposal of household and commercial effluent according to regional and national environmental standards. A new treatment plant was commissioned in 2002 to ensure effluent is treated to higher standards.	In the absence of the ability to use metering, targeted rates (including pan charges) can be seen as a proxy for user charges. High water and waste users are charged fees under a trade waste by-law. Major projects with benefits over several decades will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.	**Operational costs** • targeted rates High • general rates Low • grants, subsidies and other Low • fees and charges Low
	Community outcome	Environmental Wellbeing	
	Who benefits	The removal of wastewater largely benefits the person whose wastewater is removed. However, the public also benefits through improved public health and an unpolluted environment. The operation of many social and commercial activities would be curtailed if raw effluent was not properly dealt with. Upper Hutt City Council makes an operating contribution towards the shared service. The primary beneficiaries of growth-related infrastructure are the developments that can be undertaken and the businesses and residents that occupy new sites. If, and to the extent that, investment in infrastructure benefits growth and existing residents, this is reflected in the allocation of costs between growth and levels of service or renewal.	
	Period of benefit	The benefits of wastewater services are ongoing and spread over the long-term. These intergenerational benefits support the ongoing use of debt financing for associated capital works.	
	Whose acts create a need	There is also a significant exacerbator component to the treatment of wastewater, as people cause costs through their action (for example, commercial businesses that produce trade waste) or inaction (for example, not installing a dual flush toilet).	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this activity.	
Stormwater			
	Council operates an effective drainage system to protect property from flooding damage. Stormwater infrastructure includes pipe networks, street-side gutters, retention dams and open watercourses. These are provided and maintained according to the reasonable costs of managing foreseeable flooding events. There is a legal requirement for Council to retain control of these assets.	As the community as a whole benefits from this activity, the costs are best recovered from General rates. However, the commercial sector is estimated to represent around 31 per cent of the city's impervious area after allowing for a proportion of road stormwater allocated to the commercial sector. Major projects with benefits over several decades will be debt funded, along with an appropriate contribution from development contributions charges for growth-related infrastructure.	**Operational costs** • general rates High • grants, subsidies and other Low • fees and charges Low
	Community outcome	Environmental Wellbeing	
	Who benefits	Stormwater reticulation, watercourses, major storm events and watercourse quality management, addressed under this activity, are partly for private benefit but mainly for public benefit. This is in terms of dealing with public spaces and the public stormwater system, minimising damage from severe flooding and conducting monitoring and pollution control for the community at large. Economies of scale associated with the provision of the overall system are also recognised. The primary beneficiaries of growth-related infrastructure are the developments that can be undertaken and the businesses and residents that occupy new sites. If, and to the extent that, investment in infrastructure benefits growth and existing residents, this is reflected in the allocation of costs between growth and levels of service or renewal.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset	
	Whose acts create a need	Buildings and pavements increase the necessity for stormwater management, and in this respect the built-up areas can be considered to exacerbate the problem.	
	Separate funding	Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.	

Activity	Background	Rationale	Funding sources and bands
Solid waste			
	Council contracts out the collection of residential solid waste and household recycling. It also owns a landfill for the disposal of the city's refuse. Council wishes to promote recycling and waste reduction and to provide for the disposal of the city's solid waste. From 1 July 2021, Council will be expanding its rubbish and recycling collection services to provide weekly kerbside wheelie-bin rubbish collection and fortnightly kerbside wheelie-bin and crate recycling collection.	Currently the solid waste function makes an overall surplus, particularly as a result of landfill activities. This return on investment compensates Council as a whole and the whole ratepayer base for the long-term business risks of landfill operation and aftercare. Any surplus is therefore used to offset general rates.	**Operational costs** • targeted rates – Medium • general rates – Low • grants, subsidies and other – Low • fees and charges – Medium
	Community outcome	Environmental Wellbeing	
	Who benefits	The implementation of the Council's new waste collection service form 1 July 2021 will help protect residents and the environment from the harmful effects of waste. Council provides kerbside recycling, which is funded through a targeted rate. Recycling produces public benefits through sustainable resource use and through the deferral of costs involved in replacing landfills. There are public benefits in ensuring that refuse is disposed of appropriately. The consequences of poorly dealt with waste are immediate public health effects. Longer-term health effects can also result from interaction with contaminated sites. There are private benefits to people whose refuse is disposed of. The expansion of Council's collection services will assist in reducing greenhouse gas emissions associated with the collection of waste by minimising the number of total truck movements and by enabling a move to electric collection vehicles. The benefits of this activity are ongoing and spread over a long period. These intergenerational benefits support the ongoing use of debt financing for associated capital works.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.	
City development			
	Council has a leading role in fostering the city's growth and development in a number of ways. Council develops the District Plan policy and makes changes to the District Plan in line with national and regional policy changes and also in line with expectations of the local community. Council aims to develop an urban environment that will help to attract people and investment, and enhance the city's image and economy. Council manages and develops the public space of the city on behalf of the community. Council aims to create a business-friendly environment, facilitate the expansion and creation of local businesses and employment, increase tourism to the city and contribute to regional growth through regional economic development initiatives.	While businesses and residents benefit from city development, after maximising user charges (which are minimal and, in some years, non-existent), it is considered appropriate that the remainder of the activity is funded from General rates.	**Operational costs** • general rates – Medium/high • fees and charges – Medium/low
	Community outcome	This activity contributes to all community outcomes.	
	Who benefits	District planning has a mix of private and public benefits, as well as encouraging optimal resource use over time. The Council develops the District Plan with input from the community in terms of the Resource Management Act. Certain parts of the community, such as business owners, may gain distinct private benefits as a result of Council work in shopping areas etc. Benefits are ongoing, and work particularly around the preservation of heritage elements is intended for the benefit of future generations. The benefits of preserving buildings of architectural, heritage and historic value pertain to both the community as a whole and the owner or occupier. The city's businesses and residents benefit from Council's support of the business sector and from its promotion of the city as a place to visit.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.	
Community partnering and support			
	Council provides a range of community hubs and facilities to enable the delivery of community activities and provide safe inclusive spaces for the community. Council has previously carried out a significant rejuvenation programme across its community facilities to improve the wellbeing of Hutt City residents.	As the community as a whole benefits from this activity, the costs are best recovered from General rates.	**Operational costs** • general rates – High • grants, subsidies and other – Low
	Community outcome	Social and Cultural Wellbeing	
	Who benefits	No particular sector or group is considered to drive or benefit from these costs beyond those groups that can be targeted by user fees.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	None identified.	
	Separate funding	Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.	

Activity	Background	Rationale	Funding sources and bands
Open spaces, parks and reserves (including cemeteries)			
	Council provides and maintains passive recreational facilities in the city for the enjoyment and wellbeing of the public, free of charge. Sports fields are provided and maintained through charges to sports codes. Recreation areas are both natural and created; the majority of Council effort is targeted at maintenance and retaining areas in their natural state.	No particular sector or group is considered to derive benefit from these costs beyond those groups that can be targeted by user fees. Major projects with benefits over several decades will be debt funded, along with an appropriate contribution from reserve financial contributions charges for growth-related infrastructure.	**Operational costs** • general rates High • grants, subsidies and other Low • fees and charges Low
	Community outcome	Social and Cultural Wellbeing	
	Who benefits	Parks and reserves: Council views the active participation of residents in outdoor activities as beneficial to the whole community. While it is recognised that the rural sector often provides its own recreational land, Council considers that this sector is also a beneficiary from this activity. Cemeteries: There is a significant private benefit in this service to the families of deceased people where burials and interment services are provided. There is also an ongoing community benefit in providing for the respectful treatment of deceased people who form part of the community's heritage and whakapapa. The primary beneficiaries of growth-related open spaces, park and reserves are the developments that can be undertaken and the businesses and residents that occupy new sites. To the extent that investment in this infrastructure benefits growth and existing residents, this is reflected in the allocation of costs between growth and levels of service or renewal.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	The actions of sports codes contribute to the need for Council to undertake the maintenance of sports fields.	
	Separate funding	Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.	
Connectivity, creativity, learning, and recreation			
Libraries	Council provides, maintains and manages eight libraries in the city. These are run as a single city-wide service. Their primary role is to provide written and recorded material such as books, audio-visual resources, and access to online information. Library services are used for many purposes including learning, research and entertainment.	Some of the individual benefit of library activities is recovered through user charges and fines. User recovery is also constrained by section 142 of the Local Government Act 2002. General rates are the appropriate funding source for the remainder of the activity, as the whole of the community benefits from libraries.	**Operational costs** • general rates High • grants, subsidies and other Low • fees and charges Low
	Community outcome	Social and Cultural Wellbeing	
	Who benefits	While there are identifiable individual benefits from the provision of library services, the Council views open and low-cost access to information and books as being in the best interest of the city as a whole, therefore the whole city benefits.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the administrative costs there is no further benefit in separate funding of this activity	
Museums	The Council believes that support for the arts, recognition of our social history and cultural endeavours are an important component in making the city a vibrant and attractive city, as well as providing a means for the community to express a sense of self and place.	Some of the individual benefit of museum activities is recovered through user charges. General rates are the appropriate funding source for the remainder of the activity, as the whole community benefits from museums.	**Operational costs** • general rates High • grants, subsidies and other Low • fees and charges Low
	Community outcome	Social and Cultural Wellbeing	
	Who benefits	While individual visitors to these facilities do gain individual benefit, the collecting of an entry fee would be inefficient due to the costs associated with establishing and operating a door charge system. Council recognises the contribution that the Dowse Foundation and donors are making to the city through extensive community fundraising activities.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the administrative costs there is no further benefit in separate funding of this activity.	

Activity	Background	Rationale	Funding sources and bands
Aquatics and recreation	Council provides and maintains six swimming pools in the city as part of its portfolio of recreational facilities. Recreational programmes are community-based programmes designed to encourage residents to engage in a range of recreational activities. These services are provided to promote health and enjoyment and stimulate the community's interest in different recreational opportunities.	Fees and charges contribute to the recovery of individual benefit. However, the fees are set at a level that supports affordability for users to access facilities. Therefore General rates are the key source of income for this activity.	**Operational costs** • general rates Medium • fees and charges Medium
	Community outcome	Social and Cultural Wellbeing	
	Who benefits	Individuals benefit from the personal fitness and enjoyment they derive from using the facilities. However, Council also recognises that there are positive benefits for the community when the population is fit and actively engaged. Pools provide quality and accessible tuition in essential water safety and life skills, which produces both individual and community benefits.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. Capital expenditure provides benefit over the life of the asset.	
	Whose acts create a need	There is very limited impact of the actions or inactions of others.	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this activity.	
Regulatory services			
Animal Control	Animal control is primarily the dog control function with a small amount of service involved with general livestock control. Dog registration fees are a targeted form of cost recovery for this activity. An animal control function is necessary to ensure the public is safe from the negative effects of animal ownership.	As both individuals and the community benefit from this activity, it is appropriate that the mix of funding is split between fees and charges and general rates.	**Operational costs** • general rates Medium/low • grants, subsidies and other Low • fees and charges Medium/high
	Community outcome	Environmental Wellbeing	
	Who benefits	The owners of dogs benefit from the availability of the service, while the whole community benefits from having a safer environment because of dog control.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	The activity can be considered an exacerbator issue, as the actions of animal owners create the need for the service, including those people who are not good dog owners.	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this activity.	
Building consents and resource consents	The Environmental Consents Division is responsible for regulatory consents and compliance functions for building work in Lower Hutt, for general advice to the public on consenting matters, for co-ordinating Land Information Memorandum applications for Council and for advice on environmentally sustainable residential design and products.	The activity predominantly benefits those individuals who obtain a building or resource consent. However, these activities protect the public interests of both residents and business.	**Operational costs** • general rates Low • grants, subsidies and other Low • fees and charges High
	Community outcome	Environmental Wellbeing	
	Who benefits	There is a direct benefit to those property owners who are obtaining a building consent, while there is a benefit to the community of ensuring safe and sanitary buildings. Generally, commercial buildings are more complex and therefore there is a greater benefit to the commercial sector than the residential sector.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	Non-complying buildings and businesses operating without consent.	
	Separate funding	Council considered that due to the administrative costs that there is no further benefit in separate funding of this activity.	

Activity	Background	Rationale	Funding sources and bands
Public health activities	The Regulatory Services team provides inspection, auditing, enforcement and education that ensures compliance with Council's policies and regulations concerning public health.	The activity predominantly benefits those individuals who obtain the appropriate license. However, this activity protects the whole community.	**Operational costs** • general rates Medium • fees and charges Medium
	Community outcome	Environmental Wellbeing	
	Who benefits	The public receive a benefit from this activity due to the compliance of the businesses with the public health standards. Businesses also receive a benefit due to customers' assurance that individual businesses are meeting the appropriate standards.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	Businesses not complying with public health requirements.	
	Separate funding	Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.	
Sustainability and resilience			
Emergency management	Council develops and implements city-wide emergency management plans and promotes community preparedness for emergencies.	As the community as a whole benefits from this activity, the costs are best recovered from General rates.	**Operational costs** • general rates High • grants, subsidies and other Low
	Community outcome	Environmental Wellbeing	
	Who benefits	The whole community benefits from this activity. It is triggered where the disruption to community life is such that a coordinated community response is required.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	None identified.	
	Separate funding	Council considered that due to the financial scale of the activity that there is no further benefit in separate funding this activity.	
Sustainability and resilience	Council enables system change by enabling the delivery of its Energy and Carbon Reduction Plan 2020–24, improving sustainability outcomes across Council and the community, and funding initiatives or kick-starting thinking in line with its Environmental Sustainability Strategy 2015–45. This activity also comprises work to engage with the community on climate change; in particular, the development of a pathway to reduce city-wide emissions to net zero by 2050, and a pathway for how as a community we should respond to forecast climate impacts, such as sea-level rise.	As the community as a whole benefits from this activity, the majority of the costs are best recovered from General rates.	**Operational costs** • general rates High • grants, subsidies and other Low
	Community outcome	Environmental Wellbeing	
	Who benefits	There are no specific identifiable parts of the community or individuals/specific users of the activity.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced.	
	Whose acts create a need	None identified.	
	Separate funding	Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.	
City governance			
	Council, as the elected governance body, is responsible for deciding the direction and objectives of the activities it delivers on behalf of the city. Council is required by law to have elected members. Community representatives on Community Boards are also elected; they are part of Council and provide local input into governance issues. Community funding panels and communities of interest panels are Council-initiated panels that assist elected members to work across the community and fund key community-based projects.	As the community as a whole benefits from this activity, the costs are best recovered from General rates.	**Operational costs** • general rates High • grants, subsidies and other Low
	Community outcome	This activity contributes to all community outcomes.	
	Who benefits	The beneficiaries of this activity are the people and organisations in the city who benefit through the democratic governance of the city's affairs.	
	Period of benefit	The benefit of most operating costs is expected to arise in the year the funding is sourced. There is no planned capital expenditure.	
	Whose acts create a need	None identified.	
	Separate funding	Council considered that due to the financial scale of the activity there is no further benefit in separate funding of this activity.	

Infrastructure Strategy

Contents

Mayor's foreword

Te Awa Kairangi Lower Hutt is a vibrant, diverse, and growing city, with more people moving here every day to call it their home. It's easy to understand why – we have strong communities, innovative local businesses, and a beautiful environment. Our population growth creates enormous potential for people and businesses, but is also a significant challenge in terms of service demands and needs.

The impacts of population growth and ageing infrastructure, combined with the effects of climate change and natural hazards, are significant issues. Council needs to invest in our basic infrastructure networks to increase resilience, maintain public health, and protect the environment.

The Hutt City Council Infrastructure Strategy plans this investment for the next 30 years ahead, and acts as the roadmap for how our infrastructure will support our city through to 2051 to meet our service demands and needs.

This infrastructure strategy is considerably different to previous ones. A history of chronic underinvestment in the city's infrastructure has led to considerable deterioration in its condition and performance and it is crucial that we immediately increase our investment and plan for future spending.

The programme of investment that goes with the strategy begins to respond to these issues and challenges. It focuses on improving our stormwater and wastewater networks, continuing to provide people with clean drinking water, and ensuring that people and goods can move around the city safely. These are the basics we need to get right to improve current services, lay foundations for the future, and support our city to thrive.

That's why we're proposing large investment increases in our core infrastructure networks, to relieve the growth pressures our city is facing.

Our 10-year plan is all about getting the basics right and marks the first investment in delivering this strategy. Around $993 million of the $1.5 billion expenditure in our ten year plan will be spent on our Three Waters and transport networks. This includes a large scale programme of renewing the three waters assets as well as major transport and resilience programmes such as Cross Valley Connections and the Eastern Bays Shared Path.

This strategy is ambitious and it's what our city and people deserve. I'm proud that we are setting out to ensure that our infrastructure will support growth, protect our environment, and create the thriving future we want for Te Awa Kairangi Lower Hutt.

1. Introduction and scope

High-quality infrastructure is crucial to supporting and enabling our daily activities, ensuring that our people are healthy and that our city is safe in times of stress or shock, and providing the foundation for economic prosperity.

Since the inception of the new Council in October 2019, considerable work has been done to identify immediate and longer-term issues for Te Awa Kairangi Lower Hutt. For its 10-year plan, Council has agreed six strategic priorities:

1. investing in infrastructure
2. increasing housing supply
3. caring for and protecting our environment
4. supporting an innovative, agile economy and attractive city
5. connecting communities
6. being financially sustainable.

Getting the city's infrastructure right is essential to delivering the six priorities. The Infrastructure Strategy 2021–2051 identifies significant challenges and opportunities and sets out the Council's principal options for managing and responding to these. Infrastructure planning has significant implications across Council's activity management functions, its District Plan and long-term planning, and its financial strategy. A key principle of our approach to this strategy is to work in partnership with Mana Whenua in planning, funding and delivering infrastructure. Council's infrastructure strategy aims to ensure that Lower Hutt has strong and reliable three waters and transport infrastructure, delivered in an environmentally and financially sustainable manner. This means making sure that we are meeting required levels of service, improving and strengthening our existing infrastructure network and providing the infrastructure to support new housing and business development.

Council's strategy includes all the mandatory infrastructure categories in the Local Government Act 2002:[1]

- water supply
- wastewater (sewage treatment and disposal)
- stormwater drainage and flood protection (at a local level)
- roads and footpaths.

2. Strategic decisions

We have a good understanding of our transport infrastructure's current condition, the levels of service it has to provide, and what needs to be done to properly manage and maintain infrastructure in the period to 2051. We are increasingly gaining a better understanding of this in the context of our three waters infrastructure. Decisions have already been made on increasing investment in a wide range of key infrastructure projects, and funding allocated within the 10-year plan.

Refinements in design and investment in improving the understanding of our assets will help us to ensure that allocated funding represents best use of ratepayer dollars. Engagement and consultation will take place in relation to key projects as we carry out this refining work. This will ensure we have input from the community and other stakeholders as we make further decisions.

Our future significant decisions will primarily be in terms of refining our understanding of our assets to improve how we target our renewals and projects[2]. Other areas include:

- Investment in water infrastructure to support growth – Development in parts of the city may require more investment in infrastructure, particularly wastewater. Council plans to model the networks and urban development in years 1–2 of the 10-year plan to develop a better understanding of network capability and the impacts of growth. From 2021/22, Wellington Water is planning further investigation on the level of works required to address capacity constraints to growth in Wainuiomata, Petone and Kelson Heights. The investigative work is being carried out on a catchment-by-catchment basis and considered with each community. We expect to be in the position to consult on the outcomes of this work for the Long Term Plan 2024–2034.
- Three waters reform – As the Government proceeds with its approach to Three Waters reform, we will be required to consider the implications of this on the

1 See Appendix 1 for assets for which Council has other management plans.
2 These decisions will be taken in line with the requirements of Hutt City Council's Significance and Engagement Policy. http://iportal.huttcity.govt.nz/Record/ReadOnly?Query=container:[uri:3677911]&Tab=31&Uri=3677410&Page=2

operation of our own three waters infrastructure.

- Cycling and micromobility – Council has made significant progress in completing the projects referenced in the Walk and Cycle the Hutt 2014–2019 strategy, which included the Wainuiomata Hill Shared Path, the Eastern Bays Shared Path and the Beltway Cycleway. To exploit the opportunity created by this framework, we need to develop a connected cycleways and shared pathways network in Hutt City. Funding has been included in the 10-year plan to exploit these opportunities.
- Funding uncertainties – Waka Kotahi is our funding partner for the transport programme.
- All funding decisions about our programme of work will proceed through the Waka Kotahi investment decision process. Council's transport investment programme is included on the basis that it will receive the expected funding from Waka Kotahi. Any change in this expectation would require us to reconsider the affordability of our planned programme of work.
- District Plan – the Hutt City Council District Plan is currently being reviewed. One of the major issues for the review is how Council meets the requirements of the National Policy Statement on Urban Development 2020 (NPS-UD) in terms of providing sufficient development capacity to meet the needs of people and communities. This may have implications for three waters and transport infrastructure in the city and in particular areas of the city. A new Housing and Business Development Capacity Assessment will be produced by July 2021 to inform Council's work on the District Plan and decisions in relation to infrastructure provision. A proposed District Plan is expected by mid-2022 with a final plan expected in mid-2024.

3. Strategy summary

Vision

Hutt City Council is responsible for improving the social, economic, environmental and cultural wellbeing of people and communities in Te Awa Kairangi Lower Hutt. Infrastructure is crucial to the wellbeing of our people, and Council has an important kaitiaki/stewardship role for managing these assets. The Council vision for infrastructure is:

Managing and investing in infrastructure that ensures the city and its people thrive and grow now and into the future.

Purpose

The strategy identifies significant issues for three waters and transport infrastructure, and sets out Council's proposals for managing these issues and their implications over the next 30 years. Taking a multi-asset approach, Council will invest in renewing, replacing and managing long-term infrastructure in the right place, at the right time and at the right price, so that we can provide services for existing residents and accommodate new developments.

Goals

Getting things right in terms of infrastructure is essential to delivering the six priorities agreed by Council in its 10-year plan. Council's infrastructure strategy has two goals to support achieving these priorities:

1. reliable, efficient and effective Three Waters and multi-modal transport infrastructure networks
2. the provision of current and new infrastructure in a sustainable way that focuses on guardianship of our environment and communities.

Principles and approach

The four major issues identified in relation to Te Awa Kairangi Lower Hutt's infrastructure are its ageing infrastructure, the impacts of climate change and natural hazards, the need to prepare adequately for population growth, as well as ensuring we take advantage of potential technological advancements to provide efficient solutions to renewing our assets (See Table 1). Council needs to prioritise investment in infrastructure to increase resilience, maintain public health and protect the environment.

The population served by Council is growing and changing; this will continue to impact on demand and service delivery. Technology is evolving rapidly, and may provide new solutions to improving our core infrastructure networks. While we can anticipate some technological changes, others, particularly those that occur over longer timeframes, are more difficult to predict. As a result, renewal and replacement programmes need to be flexible to take possible future scenarios and solutions into account. Council has developed six principles to guide its multi-asset approach to investing in our infrastructure:

1. infrastructure must protect people, property and the environment
2. decisions must improve the resilience, sustainability and long-term adaptability of the city's infrastructure
3. management and investment in infrastructure must be made with and strengthen the partnership with Mana Whenua
4. investment decisions must align with Council's Financial Strategy and focus on getting the basics right and financial sustainability
5. management and investment in infrastructure must align with Council's climate change principles and its key goal of reducing emissions to net zero by 2050
6. all Council infrastructure must comply with relevant regulations and standards.

The following table shows our four identified issues and summarises the approach Council will take to address these over the next 30 years.

Table 1: Identified issues and summary of response

Issues	Response summary
Ageing infrastructure and investment in renewals	1. Increase our investment in understanding our ageing infrastructure assets 2. Invest in a maintenance programme that supports the reliability, efficiency and effectiveness of the infrastructure networks 3. Enable a structured programme of planned investment in the renewal of ageing assets
The effects of climate change and natural hazards	1. Identify and strengthen at-risk infrastructure and plan for retirement of assets from high-risk areas 2. Maintain a robust emergency preparedness system 3. Maintain and, where required, invest in providing back-up infrastructure 4. Invest in protective infrastructure 5. Ensure the regulation and monitoring system is robust and efficient
Growth and demand variations	1. Promote alternative transportation modes 2. Explore and use methods to assess and manage demand in transport and Three Waters 3. Enhance accessibility options for the ageing population 4. Focus on adapting and developing infrastructure for, and in, high-demand areas
Technological advancements	1. Develop modelling and monitoring tools and systems 2. Maintain flexibility in the investment programme to take advantage of technological developments and ensure that we use the most effective and efficient materials and techniques we can to improve the city's infrastructure.

4. Lower Hutt's Story

Geography

Lower Hutt encompasses an area of 38,000 hectares, stretching from Haywards Hill and Stokes Valley in the north to Turakirae Head in the south. It is bounded to the west by Belmont Regional Park and to the east by the Remutaka Forest Park.

The Hutt River Te Awa Kairangi is a defining element of the city. Rising in the southern Tararua Range, it flows south-west along the Wellington Fault until it reaches the city, where it turns south to Wellington Harbour. The river's headwaters are a major catchment for the region's water supply. Tributaries to the Hutt River within Te Awa Kairangi Lower Hutt include Stokes Valley Stream and Awamutu Stream. Other important rivers and streams in the district include the Wainuiomata River, Korokoro Stream, Waiwhetū Stream and Ōrongorongo River.

Lower Hutt's coastline stretches around Wellington Harbour from Petone Beach to Pencarrow Head, and continues outside the harbour to Baring Head and on past Turakirae Head to Windy Point (south of Mt Matthews). The Wellington Fault runs through the city, and there are numerous other faults in the area and across the wider region.

Flooding is an ongoing hazard. To manage the risks, stop-banks which extend through the city have been built on both banks of the Hutt River.

In the mid-1940s, state housing for 20,000 people was built in the north-eastern suburbs of the city (Epuni, Naenae and Taitā), and a new suburban railway connected people to workplaces further down the valley and in Wellington City. Subsequent development radiated out from the Hutt Valley floodplain. From the 1960s, more middle-income home buyers began populating the western hill suburbs – necessitating supporting infrastructure development in those areas. Maungaraki was developed by the then city council for private housing, and was at that time the largest local government subdivision in New Zealand, involving significant earthmoving to cut hilltops and fill valleys. Today, the main commercial centres are Te Awa Kairangi Lower Hutt and Petone. There are light industrial centres in Wingate and Seaview, while residential suburbs are located in the western hills, eastern bays, Wainuiomata, the valley floor and Stokes Valley.

As our population continues to grow, we will need additional infrastructure capacity. This is particularly true in relation to three waters and transport. Our challenge is to balance the need to renew the city infrastructure with the need to invest in new infrastructure and to provide affordable and high-quality services for people now and in the future.

3 National Policy Statement on Urban Development 2020, (New Zealand Government, July 2020) https://www.mfe.govt.nz/sites/default/files/media/Towns%20and%20cities/AA%20Gazetted%20-%20NPSUD%2017.07.2020%20pdf.pdf

Demography

The current population of Te Awa Kairangi Lower Hutt is 111,800. Council expects this figure to reach 120,000 around 2030, and to be between 124,000 and 130,000 in 2043. Population growth is likely to continue over the next 20 years, but the rate of growth will slow over time. In the past five years, the population has grown as a result of both net natural increase (births less deaths) and net migration. Growth from natural increase is likely to remain at current levels. External (overseas) and internal (from other areas of New Zealand) migration contributes to a proportion of the population growth; the largest number of new residents comes from internal migration. In the short term, international migration and the flow of migrants to the city has decreased due to COVID-19. While the number of returning New Zealanders may offset this decrease, the long-term impact of COVID-19 on migration is unclear.

Te Awa Kairangi Lower Hutt's population is ageing, but not at the rate anticipated in 2013, as those moving into the area have a younger age profile and those leaving the area have an older age profile. The current ratio of working age population to retirement age population is exactly the same as it was in 2013, and over half of those aged 65–69 are still in paid employment, as are a third of those aged 70–74. These changes are likely to influence people's preferences for both transport choices and the provision and cost of core infrastructure.

5. National and regional context

Three waters reform

Our communities face significant challenges in terms of water services and infrastructure. Historical underinvestment in three waters infrastructure in some areas means that there is now a need for substantial investment to renew essential infrastructure. Investment is critical to deliver improvements in freshwater outcomes, increase resilience to climate change and natural hazards, and enhance community wellbeing.

In July 2020, the Government announced a funding package of $761M to provide immediate post-COVID-19 stimulus to local authorities to maintain and improve three waters infrastructure, and support reform of water services delivery arrangements. Government's intention is to develop public multi-regional models for water service delivery, to realise the benefits of scale for communities and reflect neighbouring catchments and communities of interest. The joint central and local government Three Waters Steering Committee provides oversight of, and guidance on, the reform and there will be discussion with the local government sector on new service delivery arrangements during 2021.

Whaitua process

'Whaitua' is the te reo Māori word for catchment; the word is also used in the context of three waters to refer to a particular approach to water infrastructure management. Committees in each of the five whaitua in the Wellington region have developed a Whaitua Implementation Plan to recommend the actions necessary to improve water quality in their area. Whaitua has five guiding principles:

- ki uta ki tai: connectedness
- wairua: identity
- kaitiaki: guardianship
- to matou whakapono: judgement based on knowledge
- mahitahi: partnership.

The whaitua process is part of the reform of the approach to managing our water system, and forms the basis of Greater Wellington Regional Council's (GWRC's) programme to implement the National Policy Statement for Freshwater Management, which includes minimum standards for freshwater that councils must seek to achieve, to maintain or improve the water quality in all catchments.

The Whaitua te Whanganui-a-Tara is the third of the catchments to be assessed, and covers Wellington and the Hutt Valley. The Whaitua te Whanganui-a-Tara Committee, comprising Mana Whenua; elected members from the Wellington, Hutt and Upper Hutt City Councils and GWRC; and community members from across the whaitua, began its work in early 2019.

The committee is currently in the process of developing its Whaitua Implementation Plan. The draft plan is expected to be completed in July 2021, with the final plan presented to GWRC in August. The plan will contain both regulatory and non-regulatory recommendations to improve water quality in Wellington and the Hutt Valley, and so will inform decisions the member councils make in this key area, including on water infrastructure.

Transport

The Government Policy Statement on Land Transport identifies that the purpose of the transport system is to improve people's wellbeing and contribute to liveability[4]. It achieves this by contributing to five key outcomes – inclusive access, healthy and safe people, economic prosperity, environmental sustainability and resilience and security.

The Government has identified four strategic priorities for land transport investment over the next 10 years to contribute to improving the wellbeing and liveability of communities: safety, better travel options, climate change and improving freight connections. These priorities will guide central government and regional investment. The statement may change over time; any changes to it will influence Hutt City Council's planning.

Figure 2: Transport outcomes framework

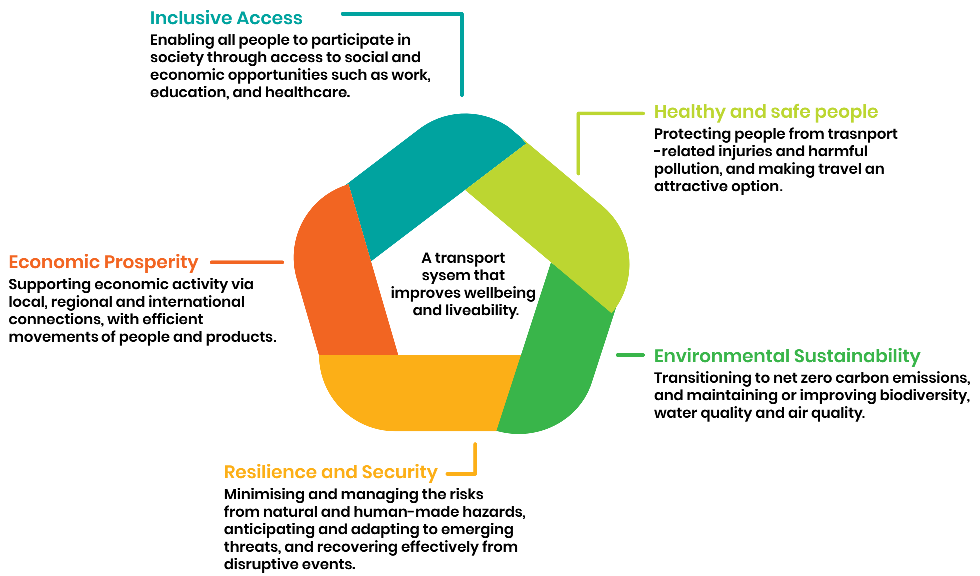
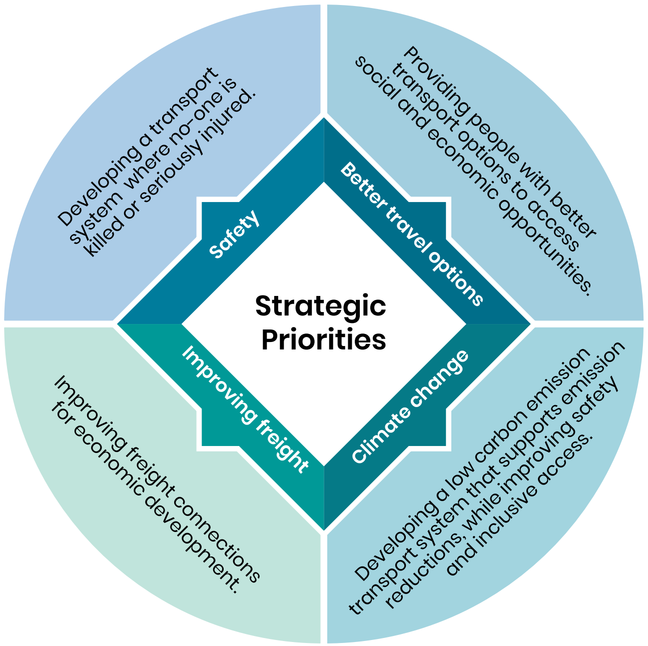


Figure 3: Strategic priorities for land transport investment



4 See https://www.transport.govt.nz//assets/Uploads/Paper/GPS2021.pdf
5 See https://www.transport.govt.nz//assets/Uploads/Paper/GPS2021.pdf

Wellington region transport challenges

At a regional level, our transport network faces the following challenges:

- the region's geography and topography has resulted in a transport network that is highly vulnerable to disruption; there are only two main north-south corridors, and very limited east-west linkages
- lack of capacity in the public transport network is limiting the region's ability to accommodate future growth and achieve the desired mode shift
- lack of safe, sustainable and attractive transport choices is resulting in an inefficient transport system and limiting access for people and freight
- current transport infrastructure isn't designed to adequately accommodate different transport modes, leading to increasing conflicts between transport users in urban centres and on rural roads, which results in poor safety outcomes.

Spatial planning

Many aspects of our infrastructure vary due to geographical and spatial factors. Council is preparing to develop a city spatial plan and is participating in the Wellington Regional Growth Framework – a 30-year spatial plan for the Wellington-Wairarapa-Horowhenua region that includes aspects such as a regional response to climate change, a long-term three water strategy and a focus on improving transport connections[6]. The framework provides for a scenario of accommodating an additional 200,000 people and 100,000 jobs in the region over the 30-year period. The framework has been developed to deliver on the objectives of the Government's Urban Growth Agenda, which include improving environmental, employment, transport and housing outcomes for communities, and the requirements of the National Policy Statement on Urban Development. It takes account of work done by councils in the region, through their district plans and urban development processes, and in future it will also need to consider the implications of the Resource Management Act review and three waters reform.

The framework outlines how the region can accommodate additional people and jobs and meet the following objectives:

- enable more housing developments around transport nodes (ie, train stations and bus hubs) and support transformational change in key locations across the region – where there is good access to public transport that supports mode-shift
- develop better located greenfield housing development, and ensure that it is higher density than most current greenfield (ie, townhouses and apartments) and connected to public transport[7]
- increase housing capacity in our centres (including Lower Hutt Central Business District (CBD) and Wainuiomata) by expanding the housing footprint and permitting higher densities than are currently enabled in many places
- investigate improved multi-modal west-east connections across the region that benefit the region's economy and accessibility, and that include urban development along these corridors.

Figure 4, reproduced from the framework, sets out proposed regional spatial changes.

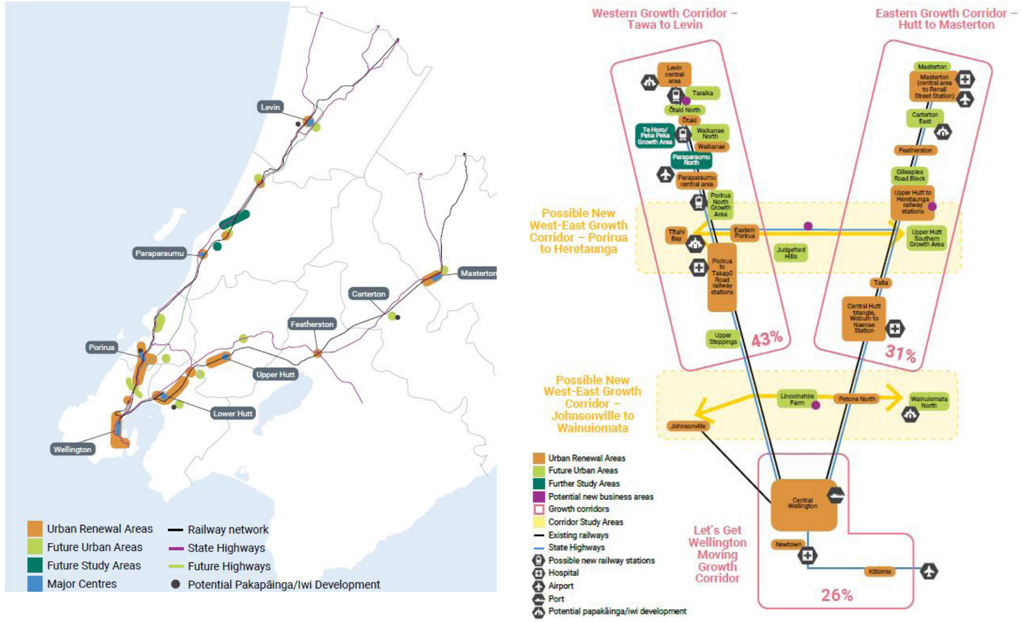
Hutt City Council endorsed the framework on 8 December 2020. The framework includes the following key initiatives that will impact on future infrastructure requirements:

- develop a regional approach to the impacts of climate change, including coastal protection, longer-term development areas and areas in which to stop developing. This will include a programme to consider protection and management of taonga such as water, and our approach to at-risk infrastructure including transport assets
- develop a 50 to 100-year regional Three Waters strategy to support anticipated growth, including upgrades to infrastructure (including bulk infrastructure) that supports growth in key development areas and improves environmental outcomes
- increase rapid transit rail/bus network accessibility, capacity and frequency, including inter-regional connectivity, to address over-crowding, provide for future growth and enable higher service frequencies including inter-regional connectivity
- significantly improve multi-modal connections to rapid transit stops as part of master planning and delivery of higher-density urban development in major centres and at nodes
- establish a connected regional cycling network by eliminating pinch points on the network and delivering transformational projects to improve access.

Lower Hutt infrastructure networks

Te Awa Kairangi Lower Hutt has a well-developed and modern infrastructure network and, overall, the roading network is in good condition. However, we know that our three waters network is ageing and there is an increased focus on understanding the condition of our very high and high critical assets. The total capital replacement value for the Council-owned infrastructure included in this strategy is over $2 billion. Each year Council spends, on average, $51M in capital replacements and $41M to improve and upgrade this infrastructure[8].

Figure 4 The spatial representation of growth



6 See https://wrgf.co.nz/wp-content/uploads/2020/10/1246-GWRC-Draft-Framework-Report-SEPT-2020-14.pdf

7 'Greenfield' land is undeveloped land in a city or rural area either used for agriculture or landscape design or left to evolve naturally.

8 The average figures are based on a 10-year average of inflation-adjusted planned spend.

Table 2: Extent of Council infrastructure networks covered in this strategy

Infrastructure category	Total length	Estimated value[9]	Key components	Levels of service	Condition and lifespan[10]
Water supply	711km (pipes)	Depreciated replacement cost: $110M Replacement cost: $275M	• reservoirs • water mains • pump stations	• safety of drinking water • maintenance of the network • fault response times • customer satisfaction • demand management	The average lifespan of our pipe network is 70–75 years. Based on age data, there is currently a backlog of life-expired pipes of approximately 27 per cent. This backlog of renewals would continue to increase without the investment agreed by Council.
Wastewater	680km (pipes)	Depreciated replacement cost: $231M[11] Replacement cost: $532M Wastewater treatment replacement cost: $81M	• treatment plant • sewage trunk mains • pump stations • storage tanks • outfall pipeline	• dry weather overflows • discharge compliance • fault response times • customer satisfaction	The average lifespan of our pipe network is 80 years. Based on age data, there is a current backlog of life expired pipes of approximately 14 per cent. This backlog of renewals would continue to increase without the investment agreed by Council.
Stormwater	454km (pipes)	Depreciated replacement cost: $190M Replacement cost: $374M	• stormwater mains • pump stations	• system adequacy • discharge compliance • response times • customer satisfaction	The lifespan of stormwater assets varies between types of asset For example, minor culverts have an estimated average life of 100 years, while major culverts generally last 80 years. The pipe renewals backlog is currently estimated at approximately 3 per cent, with nearly 30 per cent expected to need replacing (due to age) over the next 30 years. Replacement and upgrading of the network are mostly driven by the need to increase capacity to reduce the impacts of flooding etc, rather than purely because of age or condition, which drives the renewal of water supply and wastewater pipes, which tend to deliver the same levels of service.
Local roads and footpaths	484km (roads) and 728km (footpaths)	Depreciated replacement cost: $446M Replacement cost: $945M	• roadways and bridges • footpaths and walkways • cycleways • retaining walls and seawalls • traffic services • street lighting	• residents' satisfaction • 'quality of ride' measured by the percentage of the road network meeting roughness standards • accident trend (measured by Waka Kotahi • prompt issue response • percentage of sealed local road network that is resurfaced • percentage of footpaths that fall within the service standard for footpath condition	The Waka Kotahi Surface Condition Index, which measures the condition of the road surface in relation to surface defect, is rated in a range of 0 to 100, where a lower number indicates better condition. Council's current rating is 1.6, which means our road surfaces are in a very good condition. Lifespans vary between roading assets: for streetlights the lifespan is 25 years, while a bridge may last more than 100 years. The average life of a chipseal surface in Te Awa Kairangi Lower Hutt is about 12 years, and asphaltic concrete has an average life of about 15 years. Age Index is one of the components of the Surface Condition Index. Council monitors a number of conditions and performance indexes to optimise pavement renewals of the local roads.

Three waters

Infrastructure networks in Lower Hutt are very much integrated with those at a regional level, and some of the city's infrastructure is shared or co-managed with other councils in the region (see Appendix 1 for a list of these assets.)

The Wellington region is defined by water catchments, rivers and streams, groundwater, harbours and coastline that form major parts of the water cycle. Wellington Water Ltd was established in September 2014 to take a regional approach to the delivery of the three waters services, reflecting the natural catchment structure of the region[12].

Much of the Lower Hutt three waters network is at, or close to, capacity, while approximately 60 per cent of our pipes are due for renewal in the next 30 years.
The capital investment needed for this infrastructure is often substantial, particularly when these assets need renewing or require significant maintenance.

The long life of most of these assets means that significant peaks in expenditure are typically followed by long periods of relatively low expenditure. This means we can manage investment to ensure that we prioritise renewal and maintenance of the city's very high and high critical infrastructure while managing investment in less critical or non-critical infrastructure on a 'just in time' basis, ie, just before failure[13].

Wellington Water Ltd. is working to improve understanding of the condition of high and very high critical assets and prioritising the renewal of these assets where there is evidence that they are failing.

Hutt City Council's high or very high critical asset base for drinking water includes approximately 38 per cent of our pipes by length. Not all of these assets are of the same age and approximately 5-6 per cent of the pipes by length are anticipated to be past their theoretical end of life or are within 6 years of their theoretical end of life. Of these assets, we currently have evidence for just under half and through the condition assessment improvement activities will be working to close this gap. Approximately a further 5 per cent of pipe length with greater than 6 years of theoretical life remaining also has a history of unplanned service disruption.

Similarly for wastewater, which includes a joint venture with Upper Hutt City Council, the amount of high or very high critical assets includes approximately 31 per cent of pipes by length. Not all of these assets are of the same age and approximately 3 per cent of the pipes by length are anticipated to be past their theoretical end of life or are within 6 years of their theoretical end of life. There is evidence on the condition of just under 17 per cent of these assets and the current and forthcoming condition assessments will provide further information on this aspect.

Approximately a further 2 per cent of pipe length with greater than 6 years of theoretical life remaining also has a history of unplanned service disruption.

Water supply

Hutt City Council's responsibilities in providing a water supply are to:

- ensure there is enough safe water for residential, industrial and commercial use
- ensure there is enough water for firefighting.

Te Awa Kairangi Lower Hutt's bulk water comes from several sources, including the Hutt River, the Wainuiomata and Ōrongorongo Rivers, and the Waiwhetū Aquifer[14]. The water supply system consists of a network of water mains, pumping stations and reservoirs. Very high and high critical assets include large diameter pipes, together with all reservoirs and pumping stations. While some areas for improvement have been identified, most areas of the city meet expected standards for water storage (in reservoirs or storage lakes) and water pressure.

9 Estimated value includes depreciated replacement cost (which is the estimate of the current market value of assets as at May 2020, defined as the current cost of reproduction or replacement of an asset less deductions for physical deterioration and all relevant forms of obsolescence and optimisation) and replacement cost (which is the insured value of the assets, except for roads and footpath, obtained in November 2020). Wastewater includes approximately $40M owned by Upper Hutt City Council. The figures exclude value of land under roads.
10 Details of assets' condition and lifespan are provided in asset management plans.
11 This figure excludes $1.8M for building assets at the Wastewater Treatment Plant.
12 Wellington Water Ltd is a council-controlled organisation jointly owned by the Hutt, Porirua, Upper Hutt, Wellington City and South Wairarapa District Councils and GWRC. A representative from each council sits on the regional Wellington Water Committee, which provides overall leadership and direction for the company. Services are provided using the assets owned by shareholding councils. Wellington Water Ltd has a regional service plan that sets out a consistent, cost-effective and sustainable approach to delivering three waters services across the region.
13 'Critical' means failure would have a significant impact on the city's (or key areas such as the CBD's or Jackson Street's) ability to continue to function. For example, a pipe failure in Jackson Street could cause a wastewater leak, resulting in the closing of businesses and evacuation of residents.

An important issue is ensuring the availability of water in the future. Hutt City Council and Wellington Water Ltd are prioritising a conservation approach to our water supply. Investment in activities such as proactive leak detection and repair and demand management is key to deferring the region's need to invest in a new water source. The number of reported water leaks has increased over the past few years. For the six-month period July to December 2020 we had 1,457 leaks, which is nearly twice the 754 leaks reported for the same period in 2019.

Across residential, commercial and business uses, it is estimated that people in Te Awa Kairangi Lower Hutt use approximately 390 litres of water per person per day[15]. When this level of use is considered alongside the impacts of climate change, water allocation rules and growth in the Wellington region, it currently means that an additional water supply source will be required by about 2025; 10 years earlier than we previously planned. Paying for a new reservoir would increase the cost of the water levy paid by Council, and will still be needed within the next 10–20 years.

To help identify how effectively the network is working, Wellington Water is increasing the number of network meters and pressure management devices. Household meters are also an important method to help us understand residents' levels of water use. Alongside other areas in the region, introducing household meters is part of Council's infrastructure strategy and funding provision. As in other areas of the country, these could initially be used to identify leaks and indicate and influence households' water use, rather than for volumetric charging[16].

Wastewater

In terms of wastewater, Council's main responsibility is to protect people from the negative effects of human and industrial wastewater.

The wastewater system collects, treats and disposes of wastewater from residential and business properties, and industrial liquid wastes (or trade waste). The system consists of a network of pipes connecting to each property, which in turn discharge into a system of larger-diameter trunk sewer pipes. There are two main trunk sewer pipelines for the Hutt Valley – one follows the western Hutt River stop-bank, and the second passes through the eastern suburbs of Taitā and Naenae, before following the rail corridor to Moera. The trunk sewers convey wastewater from Te Awa Kairangi Lower Hutt and Upper Hutt to the treatment plant at Seaview. Treated effluent from the Seaview plant is then discharged into the sea from the main outfall pipe at Bluff Point near Pencarrow Head. Ongoing environmental scanning is in place to monitor compliance with consent processes and inform future practices. The consent for discharging the treated effluent from Seaview will expire in August 2031[17].

During wet weather, there is the possibility of stormwater inflow or groundwater infiltrating the wastewater system, leading to possible overflows that cause issues in terms of water quality and impact on public health. Existing infiltration/inflow reduction strategies, including pipeline inspection and renewal programmes, are designed to minimise the entry of stormwater or groundwater to the wastewater system.

Very high and high critical assets are identified in Wellington Water's Regional Service Plan, and include large-diameter pipes, trunk pipes, the Seaview Wastewater Treatment Plant and the Silverstream Storage Tank. Seven out of the 22 pumping stations in the city's wastewater network are identified at this level of criticality. Council has increased its focus on determining the condition of very high and high critical assets, to ensure that Lower Hutt has an effective maintenance and renewal programme to lower the risk of failures. Lower criticality assets, however, would not be proactively repaired, and would run to fail in line with recognised asset management practices.

Stormwater

Hutt City Council owns the stormwater pipe network that takes rainwater away from built-up areas and discharges it to the harbour and places along the coastline. In this regard our main responsibilities are:

- to prevent the flooding of habitable buildings and reduce property damage in rain events
- to ensure that stormwater is managed and removed in a way that protects our built environment and keeps it functioning.

The primary stormwater system consists of pipes, open drains, retention dams and pumping stations. Stormwater is discharged into the harbour through a combination of streams, rivers, drainage channels and pipes. 'Secondary flow-paths' are provided in some areas to accommodate floodwaters when the primary system is overloaded. Very high and high critical assets identified in Wellington Water's Regional Service Plan include large-diameter pipes, pipelines that operate under pressure, pipes located beneath buildings, stormwater intakes and flapgates on stormwater pipelines. Two of the 14 pumping stations in Te Awa Kairangi Lower Hutt have been identified as critically important to the city's stormwater system.

The majority of the existing stormwater infrastructure was originally designed to accommodate a five-year 'average recurrence interval' rainfall event. As such, some of the infrastructure may be overloaded when more severe rainfall events occur. Service-level expectations are higher than when the system was designed, and general replacement or renewals are now built to a 10-year average recurrence interval standard. We are also now experiencing more intense rainfall events that put pressure on our stormwater networks. The effects of the higher rainfall and other climate change effects are incorporated in the design standards and eventual stormwater mitigation solutions. It is often not practical to build our way out of stormwater flooding. In such situations, Council uses non-asset solutions such as District Plan changes, changes in maintenance regimes or overland flow-path options to manage the effects of these issues.

Under the GWRC Proposed Natural Resources Plan, councils in the region will be required to hold resource consents for stormwater discharges. This may require upgrades to the network to meet environmental standards, and could increase the need for us to consider alternative stormwater management approaches (eg, rain gardens or swales) when we develop new housing or businesses in areas of the city.

A key planning requirement in relation to stormwater is to understand the likelihood and consequence of flooding that goes beyond agreed levels of flood protection. Avoiding building in high -hazard areas is one way of managing flood risk in the long term. Stormwater management (for which Hutt City Council is responsible) and management of flood risk for major waterways (primarily the responsibility of GWRC) both contribute to protecting urban areas of the city from flooding. Hutt City Council works in collaboration with GWRC to develop and implement 'catchment environmental strategies' (currently in place for the Hutt River) and floodplain management plans (currently in place for the Hutt River and being developed for the Waiwhetū Stream). The two councils are also currently working on RiverLink, a major project to raise and widen the stop-bank on both banks of Hutt River along the city centre, widen the river channel and enhance the river promenade.

Transport

A transport system that enables people to travel safely using different modes, connecting people and communities to jobs, services and leisure opportunities, is essential to wellbeing. Hutt City Council's key responsibilities are to:

- provide safe, convenient and accessible transport throughout the city
- ensure Lower Hutt is well connected and people and goods can move throughout the city safely and efficiently
- provide safe and easy access to places and activities for recreation and sport, business and employment.

Our aim is to meet the needs of all road users, including walkers, cyclists and people using micromobility modes of transport such as electric scooters, electric bikes or skateboards. As well as roads and footpaths, transport assets include carparks, walkways, bridges, subways, street lighting, seawalls and items such as parking meters. Of Council's total infrastructure value in this category, about 50 per cent is roads and footpaths, 20 per cent is bridges and the remainder consists of streetlights, parking meters, signage and so on. Critical assets in the city include key arterial roads, and road and foot bridges.

Hutt City Council is taking a leading and progressive approach nationally to managing its roads and footpaths, including by being one of New Zealand's earliest adopters of pavement deterioration modelling and assessments of bridges for seismic strengthening. Investigations have identified the need for major improvements in roads connecting the city centre (CBD) and Seaview/Petone to State Highway 2. The Melling Bridge renewal and East Access Route (to access or bypass the CBD via Knights Road, Cornwall Street and Pretoria Street) improvements are planned to address these concerns for the CBD. The work is planned to coincide with stop-bank upgrade work as part of RiverLink. The proposed new Cross Valley Transport Connections is expected to remove through traffic from the Esplanade and Jackson Street in Petone and ease current congestion. This is also an important project to accommodate the increased traffic volumes generated by growth in Petone, Eastern Bays and Wainuiomata, and will have significant resilience benefits.

Council is committed to improving the use of public transport and investing in infrastructure to support the use of active modes of transport that are environmentally friendly, improve liveability and reduce carbon emissions. This means changing how we design and use the road network and modifying roads to accommodate and incentivise a range of transport options.

There are significant opportunities, particularly in relation to travel over shorter distances, to improve the local transport system to encourage walking, cycling and micromobility. Council has been investing heavily in the city's cycling and walking network since 2015; this work is expected to be completed within the next 5–10 years. The focus now is on developing local connections that link the core routes with key employment, education and transport hubs, to encourage greater use of active modes. New investment in this infrastructure is in Council's Long Term Plan 2021–2031.

14 Bulk water infrastructure is the responsibility of the GWRC, and each city pays their share of the costs through the bulk water levy. The bulk water levy is an operational expenditure fee and the level of investment in bulk water activities, both capital and operational, has a relationship with affordability of investment in other strategic priorities.

15 Wellington Water Ltd is currently reporting 390 litres per day, against a Council target of 345 litres per day. This usage is the gross amount, including commercial, divided across the population. It is currently only possible to provide a rough estimate of water use at a residential level.

16 Kāpiti Coast reduced its peak day consumption by 26 per cent following the introduction of water meters. Metering revealed that the majority of private network leakage was occurring in only 2 per cent of rated properties.

17 Resource consents for overflows in the case of high flows are currently being renewed.

Changing travel mode preference also requires incentives to influence people's transport choices. For instance, the cost and availability of parking influences mode choice, and can be used as a lever to change current transport patterns and contribute to sustainable environmental outcomes.

In conjunction with this Infrastructure Strategy, Council is developing an Integrated Transport Strategy to improve and strengthen the transport network. The Strategy will:

- provide a high-level vision for the city's transport system
- identify priorities and trade-offs involved in developing this system
- highlight links and dependencies with external influences as well as other Council plans
- inform strategies, policies, action plans and funding applications
- identify focus areas and strategic interventions for the city.

Council works closely with Waka Kotahi as a co-investor in our transport network to ensure an appropriate level of service is delivered. Waka Kotahi provides subsidies for most of our roading and active transport projects, and therefore the policies, priorities and funding decisions of Waka Kotahi influence the decisions Council makes with regard to this infrastructure.

7. Significant infrastructure challenges and opportunities

This section outlines the four significant infrastructure issues and opportunities identified for Te Awa Kairangi Lower Hutt, and sets out Council's response. Addressing all four issues will require increased capital and operational expenditure to effectively manage the impacts of our current ageing infrastructure and take advantage of growth and development opportunities. The issues are:

- ageing infrastructure and investment in renewals
- the effects of climate change and natural hazards
- growth and demand variations
- technological advancements.

i. Ageing infrastructure and investment in renewals

a) Ageing Three Waters infrastructure

A key challenge facing Te Awa Kairangi Lower Hutt is the investment we need to make in three water infrastructure over the next 30 years. Investing in renewals over time improves network resilience, facilitates growth, reduces water loss and leakage of wastewater into the environment, and helps to reduce operational costs.

Determining the optimal time at which assets should be renewed is often a complex task, requiring good information. Some assets are visible and their condition can be observed relatively easily, while others are underground, making it difficult to forecast when they may fail. Wellington Water currently uses Closed Circuit Television Cameras to check on the condition of the pipe network as well as smoke testing to check whether wastewater infrastructure is operating effectively. Renewing very high or high critical assets after they fail can be more expensive, and therefore Council does not regard running these assets to failure as good practice. An unplanned failure leading to a disruption of services, particularly in relation to critical assets, can have a significant impact on service users. The graphs below show the backlog of investment in each of the three waters.

Figure 5 shows the backlog and pending investment based on the age profiles of the wastewater pipes. This data excludes manholes, pump stations and treatment plants.

Figure 6 (from January 2020) shows the backlog and pending investment for Council's water supply network based on the age profile of the pipes. This data only relates to pipes and excludes pipe fittings, reservoirs, and pump stations.

Figure 7 shows the backlog and pending investment in stormwater pipe assets. As Table 2 noted, the backlog of investment in stormwater pipe assets is less than for water supply and wastewater.

Figure 5: Hutt City Council wastewater network pipe renewal profile

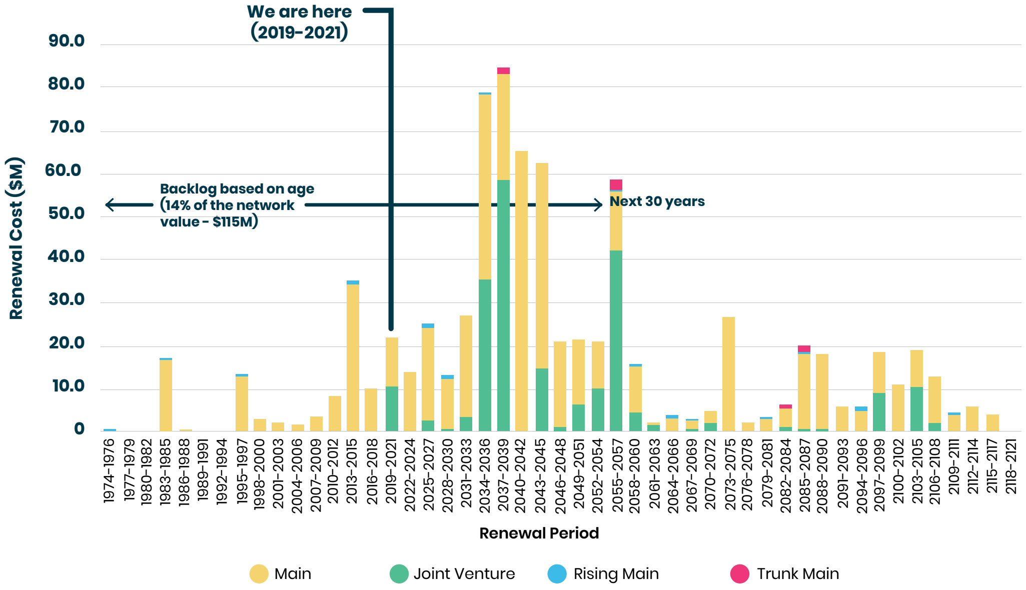


Figure 6: Hutt City Council water supply network pipe renewal profile

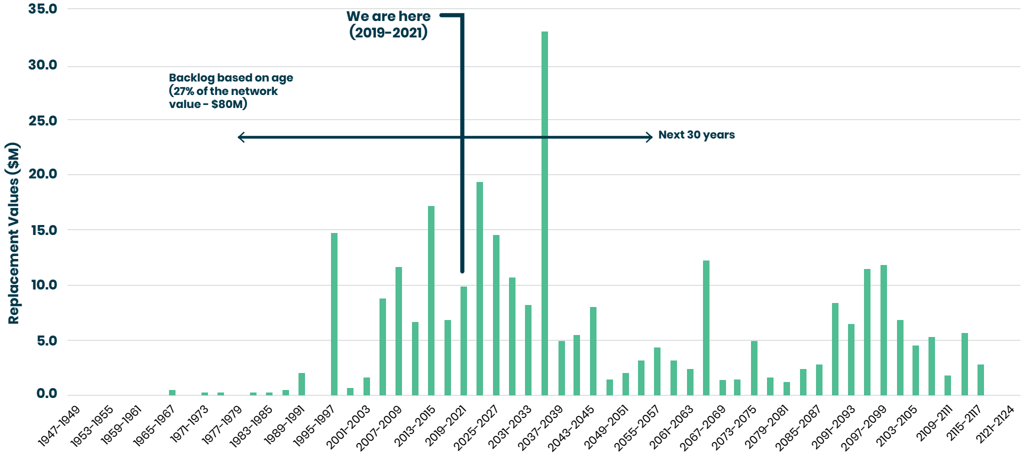
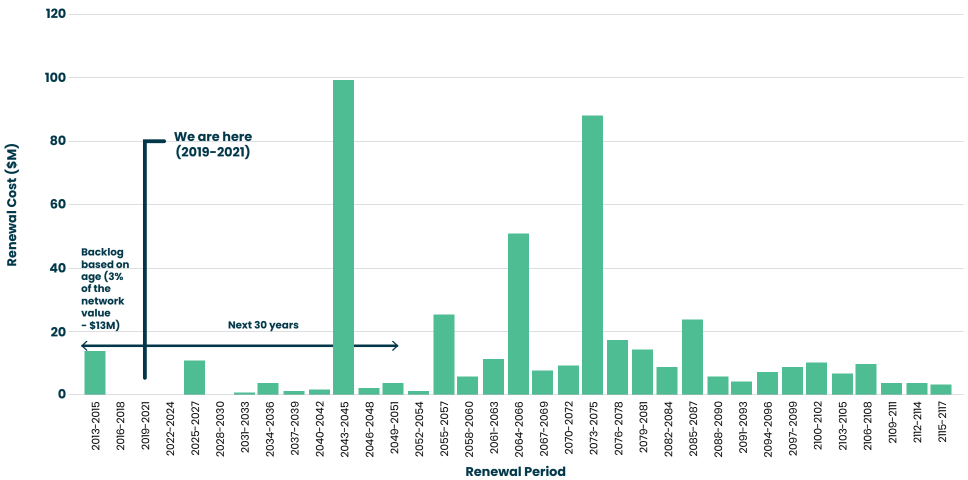


Figure 7: Hutt City Council stormwater network pipe renewal profile



Addressing the investment shortfall requires a 25 per cent increase in operational investment within three years, alongside an efficiency saving of between 5 per cent and 10 per cent across all operational activities. This will enable:

- improved maintenance and operations over the next 10 years – reduced water demand and service risks, moving from reactive to predictive detection, and proactively fixing water leaks
- increased private network inspections over the next one to three years – reduced wastewater overflow and reduced public health risk
- increased investigations and monitoring over the next 10 years – better long-term value, as we move from a reactive approach to a planned programme of work, and reduced service risks, particularly in relation to critical assets.
- addressing capital renewals requires a $25M annual increase in investment within 10 years. This is in addition to the current commitment of $10.5M on average for each year of the 10-year plan 2018–2028. For our core infrastructure, this will enable achievement of:
    - water supply renewals – reduced water demand, reduced service risks and an increase in network resilience
    - wastewater renewals – reduced overflows into streams, rivers and the harbour, and increased network resilience and reduced service risks.

These service enhancements will help us ensure that our basic infrastructure provides the foundation on which Lower Hutt and its people can thrive and grow now and into the future. We also need to invest to ensure that we prepare to meet population growth and the need for new housing supply. The map below shows water supply network constraints in 2020 based on high-level modelling. We will complete detailed modelling for Wainuiomata, Petone and Kelson Heights for the three waters over the next two years.

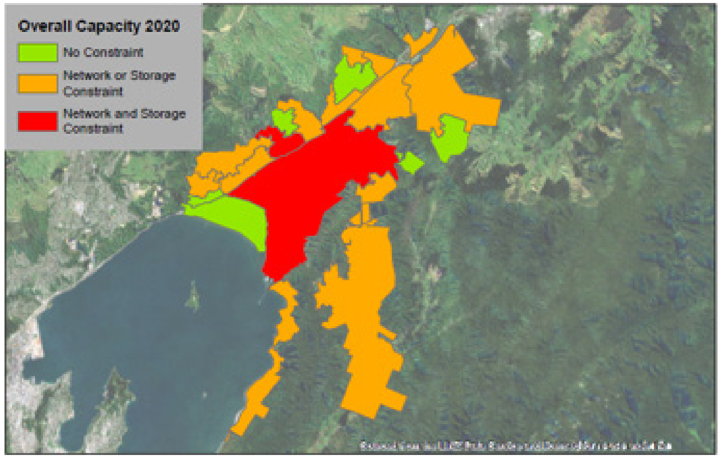
Most of Lower Hutt's water infrastructure was built in the 1930s and 1950s. While its average life expectancy varies from 10 to 80 years, depending on infrastructure type, we need to make a substantial investment in the city's core three waters infrastructure to ensure that our pipe networks continue to operate effectively.

We need to put programmes based on robust modelling in place to guide renewal or replacement of assets when the asset condition and performance dictates this. Appropriate maintenance approaches extend the life of assets; particularly those assets with longer lifespans and extremely high replacement costs.

b) Investing in transport connections

Hutt City Council is planning significant investment in strengthening and improving transport networks to improve services for existing residents, to create a more reliable transport system that contributes to reducing the effects of climate change and enables the city to increase housing supply in well-connected neighbourhoods. This work includes considerable investment in the road network, such as $199M towards the Cross Valley Transport Connections, as well as in projects such as the Eastern Bays Shared Path, and seismic strengthening of bridges.

Figure 8: Water supply network capacity and constraints



ii. The effects of climate change and natural hazards

Te Awa Kairangi Lower Hutt is located on a floodplain, and large parts of the city are vulnerable to natural hazards.

a) Earthquakes and their consequences

Earthquake and their potential consequences pose a major risk of structural damage. A rupture of the Wellington fault could cause: extensive subsidence in Petone; liquefaction in floodplain areas; landslide and slope failure in Western Hills, Eastern Bays and Wainuiomata Hill Road; and tsunami in Petone and Eastern Bays. The city's infrastructure needs to be able to withstand a significant earthquake, both in regard to structural integrity and in regard to maintaining or resuming the provision of services with minimal disruption to the public.

A low-magnitude earthquake that damages roads will disrupt transport and is likely to have a negative impact on business and wellbeing. A significant seismic event could seriously disrupt single-access routes, particularly those connecting Hutt Valley to Wellington CBD and Wainuiomata. This loss of access may affect the transport

Table 3: Response to ageing infrastructure and investment in renewals

Response	Explanation	Benefits, advantages and positive implications	Costs, disadvantages and negative implications	Timing
1: Increase our investment in understanding our ageing infrastructure assets in order to increase the resilience, sustainability and long-term adaptability of the infrastructure.	Increased spend on condition information assessments to inform planning and timing of renewals.	• improved resilience • minimised disruption • greater ability to respond to known growth and climate change impacts.	Critical asset failure.	Ongoing
2: Investment in a maintenance programme that supports the reliability, efficiency and effectiveness of the infrastructure network.	A well-targeted maintenance programme to ensure that Lower Hutt's assets perform effectively and that we maximise their useful lives.	• improved resilience • minimised disruption • increased network effectiveness and efficiency.	Due to the backlog and despite increased and ongoing maintenance, there is a risk that unplanned service disruptions and critical asset failures could still occur.	Ongoing
3: Enable a structured programme of planned investment in the renewal of ageing assets.	A structure programme of renewals based on good asset information that will reduce the risk of unplanned service disruptions and critical asset failures.	• improved resilience • minimised disruption.	Costs over the next 30 years will be significant as we address a peak need for renewals. This will be addressed through borrowings.	Ongoing

of vital supplies, and therefore improving the resilience of arterial or single-access routes is a key issue in relation to transport infrastructure.
A major earthquake is also likely to cause disruptions to water supply and wastewater networks, both in terms of structural damage to pipes or pumping stations and our ability to ensure continuation of supply. Council's planning focuses on both wider change and treatment capacity, to ensure people have access to clean drinking water and sanitation. Earthquakes may also cause significant damage to the stormwater network, leading to significant problems, particularly if heavy rainfall follows a seismic event.

This strategy's multi-asset approach recognises the connection between transport and water infrastructure networks. For instance, significant damage to roads could damage underground pipes, and, in turn, if stormwater networks are damaged the subsequent overflowing could affect the ability of roads to continue functioning.

b) Intense storms and heavy rainfall and severe dry periods

Infrastructure should be able to protect and support people, property and the environment in case of a major storm or drought. As the effects of climate change grow, intense storms and heavy rainfall may lead to increased risk of flooding, and conversely more frequent dry periods may result in drought. The CBD, Alicetown, Petone, Waiwhetū and Wainuiomata are the areas of the city most vulnerable to these effects.

Intense storms and heavy rainfall can lead to surface flooding and slips, and overload the stormwater system, resulting in overflow or inundation. A major event could lead to stop-bank failure or overtopping and damage to property and infrastructure. It also has the potential to lead to road closures and require increasingly frequent clearing of debris. These effects could create hazardous conditions for both road and footpath use.

Increasing levels of rainfall that exceed the capacity of the stormwater network may also result in infiltration of the wastewater system, creating public health risks through human contact with potentially contaminated water, as well as damage to property and infrastructure. The increasing likelihood of prolonged dry periods means that water supply, and wastewater infrastructure, may not be able to adequately meet demand, also leading to health risks.

c) Sea-level rise

The Ministry for the Environment recommends that councils plan for sea level rise of between 50cm and 80cm by the 2090s, and continuing rises beyond that[18]. A recent NIWA regional report suggests that sea level is expected to rise by 12cm to 24cm by 2040[19]. Such rises in sea levels over the century threaten core coastal infrastructure, as well as property. Sea-level rise also poses risks of salination, which could threaten the viability of using water from the aquifer. Council is proactively managing the extraction of water from the aquifer to mitigate this salination risk[20].

Sea-level rise of between 50 cm and 80 cm by 2090 means that a number of coastal properties and roads could be swamped and submerged by water, and that we face an increased likelihood of storms and tsunamis surging inland, damaging seawalls, roads, wharves and public and private properties. The extent of the impact in Te Awa Kairangi Lower Hutt could be significant given local factors including erosion, liquefaction and subsidence. This projected rise in sea level may also compromise the ability of the stormwater network to drain effectively and further exacerbate the impacts of flooding. Additionally, the projected sea-level rise means that some of the city's key infrastructure, particularly the Seaview Wastewater Treatment Plant, is likely to face inundation, which is a threat to the functioning of the wastewater system.

Table 4: Response to the effects of climate change and natural hazards

Response	Explanation	Benefits, advantages and positive implications	Costs, disadvantages and negative implications	Timing
1: Strengthen at-risk infrastructure	Bridges seismic strengthening: much of this work has already been undertaken; completion is expected in 2021–22. However, this timing will depend on the outcome of the East West Connector investigations.	• public safety • improved resilience – minimised disruption in case of an event • minimised risk of infrastructure damage	Traffic disruption during the works. Potential issues in the case of Cuba Street overbridge if Council and Waka Kotahi decide to develop the Cross Valley Transport Connections and there are timing conflicts.	Years 1 to 3
	Road network seismic strengthening: increasing resilience both to seismic activity and capacity to withstand the impacts of flooding and liquefaction.	• public safety • improved resilience – minimised disruption in case of an event • minimised risk of property and infrastructure damage.	Traffic disruption during the works. Environmental impacts.	Ongoing
	Main and critical water supply pipeline seismic upgrades and water main renewals.	• public health and safety • protection of property • minimised disruption • Improved resilience.	Service disruption (including traffic) during works.	Ongoing
	Water reservoir seismic upgrades.	• public health and safety • minimised disruption • improved resilience.	Service disruption (including traffic) during works.	Years 1 to 15
	Wastewater trunk and treatment plant seismic upgrades.	• public health and safety • improved resilience • environmental benefits • minimised disruption.	Service disruption (including traffic) during works. Environmental impact during works.	Years 3 to 6
	Strengthening infrastructure in vulnerable areas. Taking into account the vulnerabilities by using resilient materials or building techniques.	• public health and safety • reduced risk to property • minimisation of damage • value for money • precautionary approach.	May involve using more expensive materials.	Ongoing
2: Maintain a robust emergency preparedness system	Agreement with contractors for the provision of initial response and recovery following an emergency, including priority access to necessary equipment and utilisation of the road network prioritisation map	• improved resilience • minimised disruption • ability to evacuate/bring in necessary supplies to support human life, health and wellbeing in case of a major event.	Risk of reliance upon external resources.	Years 1 to 3 with ongoing upkeep
	Public emergency preparedness – encouraging and supporting residents and local organisations to be prepared for an emergency by having an emergency supply of water etc	• public health and safety • improved resilience • value for money • cultural benefits – through greater respect of water as an important natural resource • positive flow-on effects such as prompting further emergency preparedness measures, eg, in preparation for earthquakes, and broader uptake of sustainable practices.	Minimal cost. Risk of contamination of improperly stored water.	Ongoing
	Access to emergency water through existing bores and reservoirs as well as water extraction capacity from streams, as planned in the Community Infrastructure Resilience Programme	• public health and safety • environmental benefits.	Risk of contamination of improperly stored water.	Ongoing

18 The Ministry for the Environment (2008). Climate Change Effects and Impacts Assessment – A Guidance Manual for Local Government in New Zealand: https://www.mfe.govt.nz/publications/climate-change/climate-change-effects-and-impacts-assessment-guidance-manual-local-6
19 NIWA (2017). Regional climate change report for the Wellington region. http://www.gw.govt.nz/assets/Climate-change/Climate-Change-and-Variability-report-Wlgtn-Regn-High-Res-with-Appendix.pdf
20 For further information see Preparing New Zealand for Rising Seas: Certainty and Uncertainty, published by the Parliamentary Commissioner for the Environment (2015) (https://www.pce.parliament.nz/publications/preparing-new-zealand-for-rising-seas-certainty-and-uncertainty) and Conjunctive Water Management recommendations for the Hutt Valley, published by GWRC (2015) (http://www.gw.govt.nz/assets/Plans--Publications/Regional-Plan-Review/Proposed-Plan/Conjunctivewatermanagementrecommendations fortheHuttValley.PDF)

Response	Explanation	Benefits, advantages and positive implications	Costs, disadvantages and negative implications	Timing
3: Maintain and, where required, invest in providing back-up infrastructure	To provide a secondary stormwater network to ensure the continuation of this service in case of a primary network failure.	• continuation of service • improved resilience • public health and safety • future proofing in regard to effects of climate change and by accommodating growth.	Constraint on land use. Building in redundancy comes with higher costs and relies on accurate modelling.	Ongoing
	Building redundancy and secondary wastewater network to ensure the continuation of this service in case of a primary network failure.	• continuation of service • improved resilience • public health and safety • future proofing in regard to effects of climate change and by accommodating growth.		Ongoing
	Providing alternative transport routes. This is limited to certain situations, as grid road networks often provide natural alternative routes.	• improved resilience and public safety – ability to both evacuate and bring in supplies in an emergency event • increased efficiency by reducing vehicle kilometres travelled, congestion and carbon emissions • social change and growth through better access and land value uplift.	Limited to certain situations. Property acquisition and land degradation. Disruption during the construction (including noise and vibration). Environmental impacts. Risk that a major event could destroy both main and alternative route.	Years 4 to 20
4: Invest in protective infrastructure	Upgrading (raising/extending) the stop-bank and/or seawall, where practical, to provide protection against either sea-level rise or flooding.	• protection of people, their property and infrastructure • opportunity to develop waterfront/shared path • positive flow-on effects, eg, improved wellbeing, facilities for active modes of travel, more green open space and beautification.	Significant financial restrictions – requires support from Waka Kotahi. Social concerns – loss of water view from neighbouring properties. Environmental concerns – habitat destruction and behaviour disruption of native wildlife, eg, penguins unable to access their nesting area. Property acquisition.	Ongoing
5: Ensure the regulation and monitoring system is robust and functioning	Ensuring hydraulic neutrality so new public and private developments do not pose a negative effect on the flow of stormwater or increase the risk of overflow. Minimising damage to the aquifer caused by construction of new buildings, eg, through pilling. Including climate change in the code of practice and all work streams. Responding to the requirement in the National Policy Statement on Urban Development that district plans do not set minimum car parking requirements.	• public health and safety • increased awareness • value for money • high efficiency and effectiveness • environmental benefits – reduced emissions and climate change mitigation.	Risk of technology features used for monitoring not being maintained. Cost of carrying out this monitoring. Need to mitigate potential constraints on provision for other modes caused by an increased demand for on-street parking as a result of higher levels of intensification.	Ongoing

Council sees the provision of insurance as a mitigation measure rather than a response option. It considers different insurance options where applicable – for instance, market-cover or self-insurance (setting aside funds for covering foreseeable events) – and maintains appropriate levels of insurance to safeguard core assets against significant losses[21].

iii Growth and demand variations

Demand-side management practices are currently only expected to offset a fraction of the impacts of growth on the city's infrastructure network. Our infrastructure response will need to take account of the city's changing population, and the resulting need to increase housing supply and more intensive housing provision, and changes in service preferences. Climate change will also affect demand, particularly in the context of the stormwater and wastewater network, as explored under the section in this strategy with natural hazards issues. There is no marked change in the number of industrial and commercial businesses expected in the next 30 years, and desired service levels are likely to be stable.

Demographic change

The population of Te Awa Kairangi Lower Hutt has grown considerably during the period since 2015 and this growth is projected to continue. Current information shows that future population growth will be concentrated in some areas of the central valley, Western Hills and Wainuiomata. The ageing population of the city, together with the limited greenfield and intensification opportunities for residential development, are expected to slow down the growth to an average annual growth of 0.5 per cent after 2028. The city currently has insufficient development capacity to provide the housing supply required and ensure that residents have access to services and transport connections[22]. Council's Housing and Business Development Capacity Assessment, completed for the National Policy Statement on Urban Development Capacity 2016, found significant constraints in the existing and planned services for three waters and that improvements to the network were needed to support projected population growth during the period to 2047[23]. The NPS-UD 2020 directs local authorities to provide sufficient development capacity, and plan for the required infrastructure, for housing and business growth, and the requirements of the policy statement is a major consideration in Council's District Plan review.

Demographic and societal changes are likely to increase the number of one- and two-person households, resulting in the need for a greater range of housing.

Shifts in service preferences

Changes in preferences could present a particular challenge for the city's transport network, although there may be impacts on other core infrastructure. Changes in people's transportation preferences, along with technological change, means that roads and footpaths will need to accommodate multi-modal transport, in regard to both active transport modes such as walking and cycling and micromobility options. Additionally, an increase in demand for public transport, while not provided directly by Council, will need to be accommodated by appropriate infrastructure, such as the provision of space for bus stops.

The recent changes in where and how people want to live are also likely to continue, posing a possible challenge for infrastructure. For instance, the increasing demand for 'inner-city living' may put pressure on areas such as the CBD and Petone, and in turn lead to changing requirements for road alignment and car parking. The predicted increase in the growth of certain areas will also increase the demands on other core infrastructure; we are likely to require a greater capacity of water supply and wastewater systems to match the demand.

21 Council's annual reports provide details of the insurance policies it maintains for various asset types.
22 Housing and Business Development Capacity Assessment, p.114 (Hutt City Council, October 2019). Based on the medium and high series of population projections the city is projected to need between 5233 and 9606 additional dwellings up to 2047. For planning purposes the NPS-UDC requires Council to provide for more supply than the above so the figures are increased to 6105 and 11256. Under both projected growth scenarios Hutt City has insufficient development capacity to meet demand over the 30 year time frame with a projected shortfall of between 1632 and 6783 dwellings.
23 Housing and Business Development Capacity Assessment, pp.143-144. There were fewer major constraints found in the transport network and projects were identified to relieve constraints in specific areas, particularly the intersections with State Highway 2.

Table 5: Response to growth and demand variations

Response	Explanation	Benefits, advantages and positive implications	Costs, disadvantages and negative implications	Timing
1: Promotion of alternative transport modes	Encouraging people to use active modes of transport. Development of active transport routes, increasing walkability and facilitating connections to public transport. Reducing unnecessary transport by making Council services available online. Providing information and raising awareness in regard to routes and safety.	• environmental impact – reduced emissions • future proofing by reducing reliance on fossil fuels • public health and safety • efficiency/reduction in traffic congestion • social change • enhanced urban economic growth.	Cost of providing facilities. Safety concerns – during the transition period when the cycling network continue to be poor. Modes of transport choices are impacted by adverse weather events.	Ongoing
2: Exploration and use of methods to manage demand	Introduction of demand management initiatives such as water conservation, hydraulic neutrality, traffic management and inflow/infiltration reduction. This is necessary in response to population growth, changes in regulations or public expectations, and changes driven by the effects of climate change. Limiting parking and a greater emphasis on user pays to guide traffic and transport choices while promoting the uptake of alternative means of transport.	• environmental impacts – conservation • sustainable approach • reduced cost • reduced congestion • efficiency • value for money.	Short-term costs. Social concerns. Equity implications. Potential costs to individual property owners. Need to support the use of alternative transport to ensure the social and economic performance of the city continues to improve.	Ongoing
3: Enhanced accessibility for the ageing population	Providing smoother foot paths, ramp walk-offs and mobility parking.	• urban growth • social inclusiveness/ cohesion.		Ongoing
4: Focus on adapting and developing infrastructure for and in high demand areas	Providing footpaths and Three Waters in intensification and Greenfields areas. Understanding trends and increase in demand and using modelling to predict effects. Using this information to encourage growth in areas where there is infrastructure capacity to meet the associated increase in demand. Incorporating both access routes and bypass routes so as to ensure ease of accessibility while minimising unnecessary congestion. 'Just-in-time' delivery will be followed to maximise efficiency and value for money.	• urban growth • efficiency • safety • economic growth (for instance by making shopping districts more attractive places to be) • enhanced amenity value • environmental effects • public health and wellbeing – through encouraging high foot traffic areas to be pedestrian- and cyclist-friendly.	High cost. Environmental impact. Social concerns – particularly from retailers.	Ongoing

iv. Technological advancements

Infrastructure planning must increasingly consider the rapid development of technology, and our approach to renewing and replacing infrastructure needs to be flexible to enable us to take account of possible future scenarios and solutions. The expected issues and imminent opportunities in terms of technology can be categorised as follows.

a) Monitoring and information generation

Technological advancements present an opportunity for significant improvements in monitoring and data gathering. Wellington Water utilises technology for some real-time monitoring and control to increase understanding and help mitigate potential risks. Technology could also provide opportunities to manage demand, which is likely to become increasingly necessary with regulatory changes and as the effects of climate change increase. Monitoring and analysis technology could also enhance our ability to forecast the long-term costs of different investment options and increase our understanding of the balance between cost (including asset replacement or renewal), level of service and risk exposure.

b) Innovative technology

The inherent nature of technological advances is that they are constantly evolving; this presents significant issues of uncertainty in planning for the long term. For instance, driverless cars are expected to become a key form of transport in the future, and this is likely to require considerable changes to the way roads operate, such as the installation of communication networks between the cars themselves, the roads and traffic lights. However, there are difficulties in predicting when and how changes will happen, or exactly what technology will be required in the future to encourage and accommodate this. As such, we need to be flexible enough to exploit technological opportunities as they arise.

8. Implementing the strategy

We have carried out significant work to address the issues and opportunities identified in this strategy. We have already investigated a number of projects and incorporated them into the 10-year plan, and expect to make further decisions in due course.
The responses to each of the challenges presented above are interlinked in nature. Our capital programme is designed to address the options presented as a whole. The scale of the capital programme planned is presented in the graphs in section 9 below. A selection of significant projects is presented below.
It is important that the financial implications of implementing the strategy are fully considered. Our Financial Strategy has been prepared in tandem with this Infrastructure Strategy and the associated programme of work. The work programme is achievable within the limits set in the financial strategy and includes sufficient head room for emergency expenditure of decisions that are yet to be made as outlined in section 2 of this strategy.

Significant projects incorporated into existing plans

We have a significant programme of renewals planned as some of our assets come to the end of their useful lives. Several projects are considered will ensure asset preservation, as natural hazards are identified as a significant issue in Te Awa Kairangi Lower Hutt. Many bridges and reservoirs in the district have been seismically strengthened, or we have identified that they need such work. Some other projects, such as the proposed Cross Valley Transport Connections, the Melling Bridge renewal and some water main renewals, will not only help us to achieve increased resilience but also increase the network capacity to accommodate the expected population growth. Council is also continuing to carry out a range of projects to ensure that we reflect other demand variations as our population grows and changes and as more information about new and innovative technologies becomes available.

Council is investing a significant amount of funding and resources to deliver this strategy and is also taking actions to ensure both Council and its partners can manage the increased expenditure effectively. These include:

- additional operating funding to support Wellington Water Ltd. increase its capacity to deliver on the increased capital programme
- an independent review of local sector capability and capacity. This will assess Wellington Water and their supply partner's current capability and test their growth plan's ability to deliver all their client councils capital investment programmes. The outcomes of this review are expected to be available to enable this to be factored into advice provided to Council for the final plan
- council's transport team have had specialist advice that focussed on programme delivery; and changes proposed as part of Council's organisational review include both scaling up teams that support delivery e.g. transport team, and bringing specialist knowledge in house e.g. creating a project management office, a new assets and facilities team, and a procurement specialist.

Table 6: Response to technological advancements

Response	Explanation	Benefits, advantages and positive implications	Costs, disadvantages and negative implications	Timing
1: Develop modelling and monitoring tools and systems	Using technology as a tool to provide information to enhance effectiveness and efficiency. Use of tools such as dTIMS infrastructure asset management software to model best approach and use of materials. Modelling enables us to test different scenarios to see how the system will respond.	• information generation • demand management • enhanced planning capacity, eg, simulation for extensions or new developments	Short-term cost in requiring the technology and training staff. Ongoing cost to ensure these are up to date.	Ongoing
2: Maintain flexibility in the investment programme to take advantage of technological developments and ensure that we use the most effective and efficient materials and techniques available to improve the city's infrastructure	The advancement of technology presents a huge number of diverse opportunities and challenges to infrastructure, such as new materials and equipment, as well as changes to best practice. There will likely also be technological innovations that we cannot predict; therefore this response entails openness and flexibility, along with investing in platforms that are scalable and improve the quality of data, so that Council can exploit the best technology to renew our infrastructure and ensure that it functions at optimal levels. Council's planning includes monitoring and assessing for potential technological solutions so that our three waters and transport infrastructure can adapt and develop effectively.	• flexibility and adaptability as changes occur • taking advantage of technology that may have positive environmental or financial benefits • efficiency • value for money • service improvements	Uncertainty of direction – planning implications, particularly in the long term. Local industry limitations and availability. There is a need to build up foundational data collection tools and improve data quality to be able to do this. This work also requires digital infrastructure investment for which it is not fully budgeted.	Ongoing

Key projects that will occur during the course of this strategy are included in the tables below.

Table 7: Water supply key projects

Key project	Response Area	Explanation	Cost	Time period
Naenae Reservoir Number 2 and outlet main	• growth and demand • the effects of climate change and natural hazards.	To support growth in the Valley Floor and provide for the existing shortfall in water storage in the Central Hutt water supply zone.	$36.7M	2021/22 to 2025/26
Kingsley Reservoir seismic replacement	• climate change and natural hazards.	To strengthen the reservoir to earthquake code.	$7.1M	2022/23 to 2025/26
Universal metering (smart network)	• growth and demand • the effects of climate change and natural hazards.	This is a key component of the regionally strategic priority to reduce water consumption with the aim of deferring significant investment in a new regional water source.	$31.9M	2025/26 to 2028/29
Wainuiomata local fire flow pipe upgrades	• climate change and natural hazards.	This is a key component of the regionally strategic priority to reduce water consumption with the aim of deferring significant investment in a new regional water source.	$7.1M	2025/26 to 2028/29
Wainuiomata Reservoir Number 3	• growth and demand • the effects of climate change and natural hazards.	To support growth in Wainuiomata and provide for the existing shortfall in water storage in the Wainuiomata water supply zone.	$58.5M	Ongoing

Table 8: Wastewater key projects

Key project	Response Area	Explanation	Cost	Time period
Seaview Wastewater Treatment Plant wastewater storage	• climate change and natural hazards.	Provide wastewater storage to mitigate overflows at the Seaview Treatment Plant. This is subject to consent requirements.	$28.7M	2021/22 to 2024/25
Sludge treatment renewal of dryer	• climate change and natural hazards • ageing infrastructure and investment in renewals.	To replace the existing dryer at the Seaview Wastewater Treatment Plant at the end of its service life. The management of sludge, including drying and transport, is a key component of reducing carbon emissions and managing resources in a sustainable way.	$52.6M	2025/26 to 2028/29
Hutt Valley main sewer renewal	• response to ageing infrastructure and investment in renewals • the effects of climate change and natural hazards • growth and demand.	To replace the main sewer at the end of its service life. The exact timing would be subject to ongoing asset inspection and assessment, and consent requirements. Renewal of critical assets such as this are key to the strategy for looking after existing infrastructure.	$43.4M	2027/28 to 2032/33
Main outfall sewer renewal	• response to ageing infrastructure and investment in renewals • the effects of climate change and natural hazards.	To replace the main outfall sewer from the Seaview Wastewater Treatment Plant at the end of its service life. The exact timing would be subject to ongoing asset inspection and assessment and discharge consent requirements. Renewal of critical assets such as this is key to the strategy for looking after existing infrastructure.	$308M	2029/30 to 2040/41
Western Hills main sewer renewal (Stage 1–4)	• response to ageing infrastructure and investment in renewals • growth and demand.	Replacing the Western Hills Main Sewer at the end of its service life. Renewal of critical assets such as this is key to the strategy of looking after existing assets. The exact timing is subject to ongoing asset inspection and assessment, and consent requirements.	$61.4M	2038/39 to 2044/45

Table 9: Stormwater key projects

Key project	Response Area	Explanation	Cost	Time period
Victoria Street/Hume Street stormwater improvement	• climate change and natural hazards.	To address known local flooding issues through the provision of upgraded stormwater infrastructure.	$2.2M	2021/22 to 2022/23
Te Mome pump station renewal – pipework, electrical and pumps	• response to ageing infrastructure and investment in renewals • the effects of climate change and natural hazards.	To replace pump station assets at the end of their service life. Routine asset renewals such as this are key to the strategy for looking after existing infrastructure.	$2M	2022/23 to 2023/24
William Street pump station renewal – pipework, electrical and pumps	• response to ageing infrastructure and investment in renewals • the effects of climate change and natural hazards.	To replace pump station assets at the end of their service life. Routine asset renewals such as this are key to the strategy for looking after existing infrastructure.	$1.7M	2021/22 to 2022/23
Black Creek stormwater improvements	• climate change and natural hazards • growth and demand.	To address flooding issues due to existing constraints and accounting for future demand.	$4.2M	2031/32 to 2033/34

Table 10: Transport key projects

Key project	Response Area	Explanation	Cost	Time period
Seismic strengthening of Cuba Street overbridge	• climate change and natural hazards.	Minimising the risk of bridge collapse or damage in the event of a significant earthquake has significant benefits, both in terms of protection of life and prevention of injury, and minimising property damage and reducing disruption.	$1.3M	2021 to 2022
Road network resilience	• climate change and natural hazards.	To increase the ability of the roading network to withstand shocks and minimise potential damage and disruption in the event of an emergency or other significant shock.	$5M	2021 to 2023
East Access Route	• growth and demand.	To improve intersections and signalisation to ensure better alignment with the relocated Melling Bridge and other outcomes of RiverLink, along with responding to the expected growth in the CBD.	$3.9M	Dependent on RiverLink timetable
Eastern Bays Shared Path	• growth and demand • the effects of climate change and natural hazards.	To increase the accessibility of alternative means of transport in Eastern Bays by providing a safe shared path for pedestrians and cyclists. This project is considered to be responding to changes in demand and the increased uptake of alternative modes of transportation, and has received funding from the Government's COVID-19 economic stimulus package.	$30M	2021 to 2027
Cycleway and micromobility programme	• growth and demand • the effects of climate change and natural hazards.	Proposed programme to support the Walk and Cycle the Hutt 2014–2019 strategy, aiming to develop a connected cycleway and shared path network. The next stage includes connection at Waterloo Station and will deliver connections from the Beltway Cycleway to schools and the hospital. This project will increase the cycling opportunities in Te Awa Kairangi Lower Hutt and thereby respond to changes in demand; in particular, the increasing uptake of alternative means of transport.	$67M	2021 to 2031
Road network improvements	• response to ageing infrastructure and investment in renewals • growth and demand • the effects of climate change and natural hazards • technological advancements.	The Preferred Programme for the Cross Valley Transport Connections is staged across three phases; the major work signalled for after 2029 will align with other related projects. The general network improvement timeframe allows for considering technological advancements, for instance in using techniques or materials that maximise the effectiveness and efficiency of the road networks or in making improvements in preparation for accommodating driverless cars. The improvements are expected to be continued with a provision in the budget from 2041 to 2051.	Approximately $250M (including a $199M provision for the Cross Valley Transport Connections)	2023 onwards

Levels of service

Based on the findings of community consultation and in conjunction with our asset management plans, we will use the following groups of indicators to monitor the performance and service provided by city infrastructure:

- Long Term Plan performance measures: Performance measures published in the Long Term Plan and reported on in Council's Annual Report allow people to see the standard of the infrastructure service. Table 11 identifies key indicators for measuring.
- Customer standards: Quality and service availability, target response times for addressing problems with service provision, and courtesy, eg, keeping property owners informed of system maintenance or other works.
- Activity standards: Activity standards cover aspects of activity likely to be of concern to the community, such as service quality, customer focus, cost-effectiveness, environmental performance and compliance with legal and industry standards.
- Management indicators: Indicators relating to the performance of particular assets (eg, pump stations) and the performance of service contracts.

Progress towards the goals

Table 11: Measuring progress towards our infrastructure goals

Goals	Key outcome indicators24	Reporting	Target/Level of service	Achieved 2019-2020	Source
Reliable, efficient and effective three waters and multi-modal transport infrastructure networks	Drinking water supply complies with part 4 of the drinking-water standards (bacteria compliance criteria)	Quarterly data	Full compliance – 100%	Full compliance – 100%	Potable Water Testing Contract Reports
	Drinking water supply complies with part 5 of the drinking-water standards (protozoal compliance criteria)	Quarterly data	Full compliance – 100%	Full compliance – 100%	Potable Water Testing Contract Reports
	Percentage of real water loss from networked reticulation system	Quarterly data	≤ 20%	19%	Wellington Water SLA Spreadsheet
	Dry weather wastewater overflows per 1000 connections	Quarterly data	20 per 1000 connections	4.2	Wellington Water SLA Spreadsheet
	Compliance with resource consents for discharges from wastewater system	Quarterly data	No enforcement action - 100% compliance	No enforcement action - 100% compliance	Wellington Water SLA Spreadsheet
	Number of habitable floors affected by flooding events	Quarterly data	0.24	0.16	Wellington Water SLA Spreadsheet
	Compliance with resource consents for discharges from stormwater system	Quarterly data	No enforcement action - 100% compliance	Not achieved – one enforcement notice	Wellington Water SLA Spreadsheet
	Achieve water quality at main recreational beaches (monitored beaches are suitable for recreational use)	Quarterly data	100%	100%	Wellington Water SLA Spreadsheet
	The number of fatalities and serious injury crashes on the local road network in the previous calendar year	Annual data	Number (previous year less 1%)	184	Waka Kotahi
	Road risk rating – Percentage that have a high/high rating	Quarterly data	≤ 5%	New measure 2021-22	Waka Kotahi
	Travel time reliability	Quarterly data	< 20%	New measure 2021-22	Waka Kotahi
	Percentage of footpaths that fall within the service standard for footpath condition	Annual data	> 98%	98%	RAMM
	Length of cycleways	Quarterly data	Length of proposed and budgeted cycleway build for the year	New measure 2021-22	Hutt View GIS mapping
	Length of shared paths	Quarterly data	Length of proposed and budgeted cycleway build for the year	New measure 2021-22	Count data
	Water consumption per person per day for residents in Lower Hutt. (Gross measure which includes commercial and leaks divided across the population)	Quarterly data	≤ 385 litres per day	389 l/p/d	Wellington Water SLA Spreadsheet
	Audits of maintenance contracts - physical work	Quarterly data	> 90% meet standards as per contract	New measure 2021-22	Audit reports
	Audit of maintenance contracts – contractual obligations	Quarterly data	> 90% meet obligations as per contract	New measure 2021-22	Audit reports
	Travel time on key routes	Quarterly data	Average travel times is within 10% of the expected (modeled) travel time	New measure 2021-22	Waka Kotahi
	Time for local authority to achieve resolution of urgent callouts of water supply interruptions	Quarterly data	≤ 8 hours	7.4 hours	Wellington Water SLA Spreadsheet
	Time for local authority to achieve resolution of non-urgent callouts of water supply interruptions	Quarterly data	≤ 20 working days	13 days	Wellington Water SLA Spreadsheet
	Time for local authority to achieve resolution of callouts for wastewater overflows or blockages	Quarterly data	≤ 8 hours	3.8 hours	Wellington Water SLA Spreadsheet
	Median response time to attend a flooding event	Quarterly data	≤ 8 hours	4.4 hours	Wellington Water SLA Spreadsheet
Provide current and new infrastructure in a sustainable way which focuses on guardianship of our environment and communities	New roads, footpaths, cycleways and shared paths meet national sustainability standard(s)	Annual data	100% meet standard	New measure 2021-22	Waka Kotahi
	Audit of transport maintenance contracts – contractual obligations	Quarterly data	> 90% meet obligations as per contract	New measure 2021-22	Audit reports
	Compliance with resource consents for discharges from wastewater system	Quarterly data	No enforcement action - 100% compliance	No enforcement action - 100% compliance	Wellington Water SLA Spreadsheet
	Compliance with resource consents for discharges from stormwater system	Quarterly data	No enforcement action - 100% compliance	Not achieved – one enforcement notice	Compliance Reports from GWRC

Data on the indicators will be reported as part of the quarterly performance report to Council's Corporate Leadership Team and Councillors.

24 The indicators in the table are also included in the 10-year plan.
25 https://www.health.govt.nz/system/files/documents/publications/dwsnz-2005-revised-mar2019.pdf

9. Projections and assumptions

Indicative assessment of expenditure

The following figures present the costs of maintaining current levels of service for the existing infrastructure configuration and addressing the issues identified in this strategy.

All the costs are adjusted for inflation using BERL's Local Government Cost Index forecasts.

Figure 9: Capital expenditure ($M) based on asset category

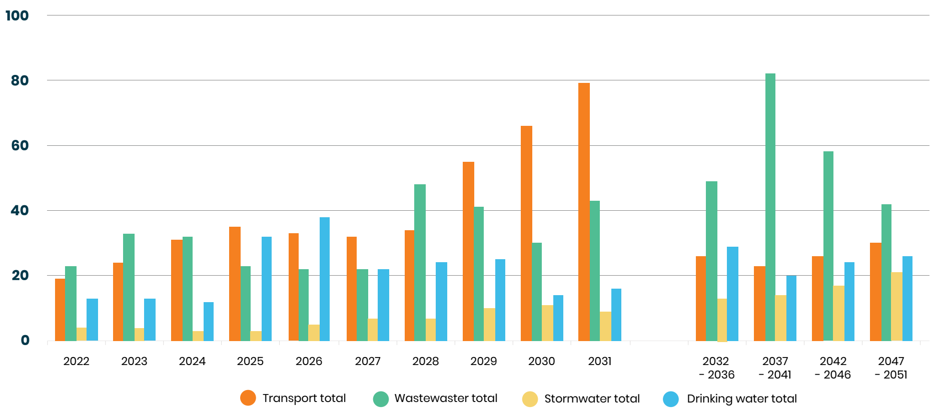


Figure 10: Projected capital and operating expenditures ($M) for the three waters and transport infrastructure

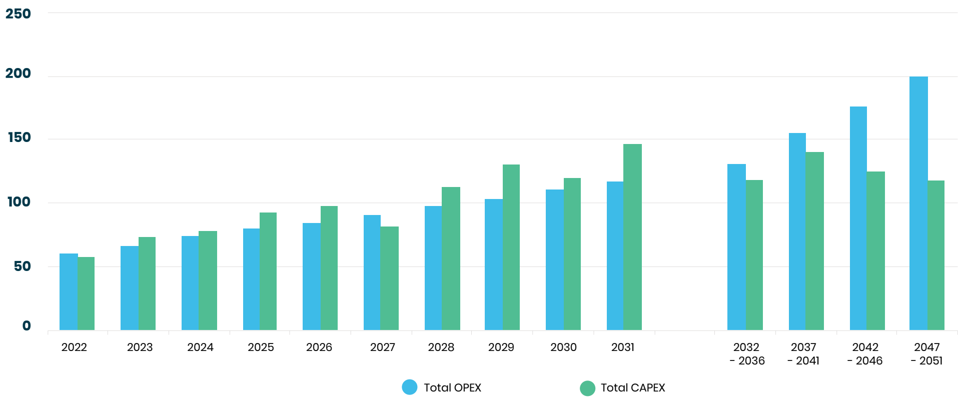


Figure 11: Capital expenditures ($M) on wastewater network

Figure 12: Capital expenditures ($M) on water supply network

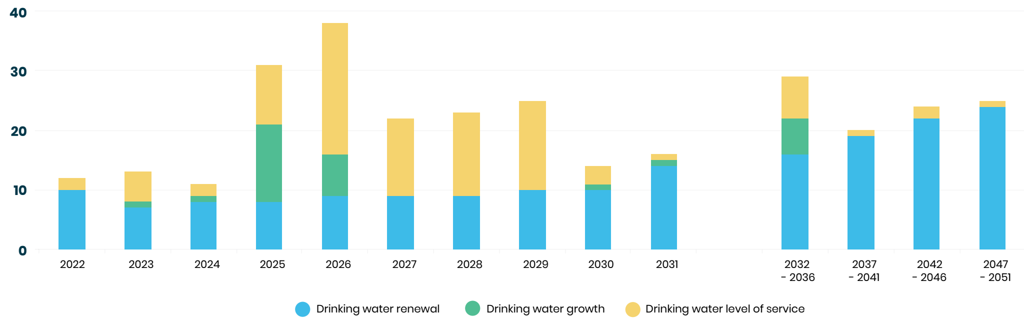


Figure 13: Capital expenditures ($M) on stormwater network

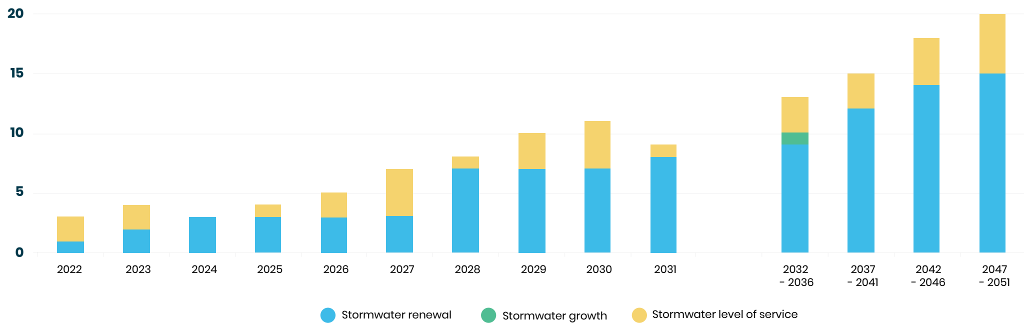
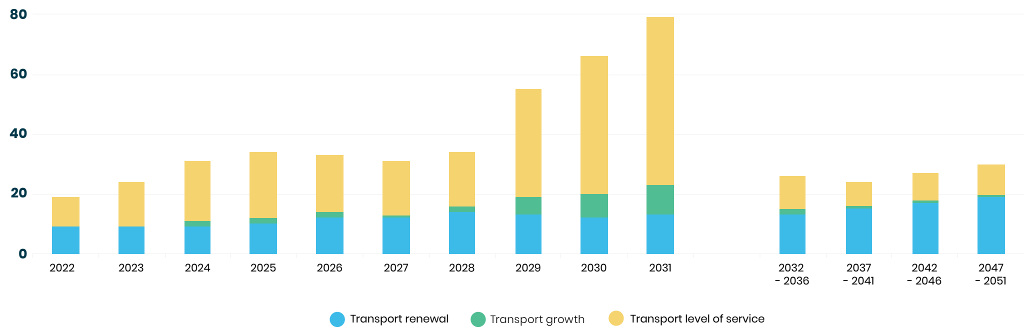


Figure 14: Capital expenditures ($M) on transport network



Funding

Council will fund the projects and programmes outlined in this strategy mainly through a mixture of general and targeted rates, collected in the year of expenditure or to repay loans raised for capital projects, as well as user subsidies and grants, fees and charges and development contributions. Council's Revenue and Financing Policy indicates the approaches undertaken to fund the operating and capital expenditures.

General rates and targeted rates are the largest source of funding operating expenditures. General rates help fund activities that exhibit strong or dominant public good characteristics. Council uses targeted rates where it has decided that the cost of a service or function should be met by a particular group of ratepayers, or where greater transparency about the use of the funding is essential. The targeted rates currently charged by Hutt City Council include water supply (per property) and wastewater services (per pan). In addition, Council sets user fees and charges where an activity also provides private benefits. Rates are used to fund the balance of costs after the potential for user charges has been exhausted. Council can also fine people and businesses for certain rule infringements, which creates another source of income. The other funding sources for operating expenditure are grants and subsidies. Waka Kotahi funding assistance for road maintenance makes up the majority of this funding. Council does not use borrowing, proceeds from asset sales or development or reserve contributions to help fund operating expenditure.

Council funds capital expenditure mainly from borrowing, and then spreads the repayment of that borrowing over several years. This enables Council to better match funding with the period over which benefits will be derived from assets, and helps ensure intergenerational equity. Some projects may also attract funding from other sources, such as capital subsidies and grants from central government agencies, such as Waka Kotahi (in relation to certain roading projects) and contributions from Upper Hutt City Council (in relation to joint wastewater activities). Projects to accommodate growth may be partly funded by developers. As our Development Contributions and Financial Contributions Policy indicates, developers are required to provide the local infrastructure needed to service their development. Council should recover the costs associated with providing local infrastructure, including local roads and pipes, for new developments through development contributions charges. Other funds to support capital projects include annual revenue collected through rates to cover depreciation charges, proceeds from the sale of assets (not otherwise used for debt reduction) and operating surpluses.

Council manages borrowing and repayments within the framework specified in the Liability management section of the Treasury Risk Management Policy. Council's Financial Strategy further sets a number of limitations, including debt to revenue limits and constraints on increasing rates to ensure the expenditures are affordable in the long term. To overcome these financial constraints, Council has given priority funding to maintaining and renewing its existing assets, and will review the timing and scope of large projects to ensure expenditure on assets is done at the most cost-effective time and according to the set goals and priorities as more information becomes available. Improved asset management systems and processes will assist in developing accurate programmes of maintenance, asset renewals and new capital expenditure, based on real-time asset condition assessment.

Council also engages with the community by offering opportunities through the Long Term Plan and Annual Plan consultation processes to ensure that communities can express their views about infrastructure, the upgrades and new developments. Planning and delivering infrastructure is a balance between providing the levels of service the community desires and affordability for ratepayers. The 10-year plan balances the forecasted spending needs with Council and ratepayer affordability.

Assumptions

Asset lives and conditions

The condition of the network is expected to improve significantly over the period of this strategy; however, condition assessments for three waters assets may reveal that they have aged faster than our theoretical modelling anticipates. We have made assumptions regarding the average useful lives and remaining lives of the asset groups, based on current local knowledge and experience and historical trends. These need to be reviewed and accuracy improved based on physical inspections and assessments of deterioration. Work is under way to evaluate the condition for very high and high critical assets in three waters.

Levels of service

Council's investment aims to maintain and improve levels of service with regard to transport and three waters infrastructure. However, we expect a lag period for three waters as we address the renewals backlog.

Demand

The demand variations are likely to be driven by demographic changes, location preferences, climate change and regulatory changes. There is no marked change in the industrial businesses, and desired service levels are likely to be stable. Demand-side management practices are able to offset some of the effects of population growth and reduce the need for new investments.

The population data used is from Stats NZ data, and demographic change has been projected by Council based on the current data available from Stats NZ.

Rates of growth that vary significantly from this assumed level may result in unbudgeted financial pressures. However, if lower levels of growth or population decline occur then Council funding will not be used for development projects. There is a moderate level of uncertainty regarding population growth, although the risk to Council funding if growth targets are not achieved is relatively minor.

Three waters reform

This strategy acknowledges the current reform of arrangements regarding Three Waters. Our options are based on Council's current responsibilities for the three waters system in the city.

Appendix 1: Assets not included in the strategy

Council is both responsive and proactive in the way that it manages its infrastructure, depending on the criticality of the infrastructure and the level of risk it faces. This strategy addresses significant long-term issues for Lower Hutt infrastructure.

At the asset level, activity risk management plans outline the risks associated with providing infrastructure services, and the risk management activities associated with their operation, maintenance and management. Resilience is increasingly being incorporated into activity management plans, including via contingency and emergency planning. For the roading network, Council has commissioned a resilience study to examine parts of the network at risk from earthquake and other hazards, as well as possible mitigation measures.

This infrastructure strategy does not address the following assets:

- **council-owned/managed assets:** parks and gardens; playgrounds; swimming pools; community facilities such as libraries, halls and integrated hubs; and assets and properties owned by Council-controlled organisations other than Wellington Water
- **regionally owned/managed assets:** 'bulk' water supply infrastructure, flood protection, public transport, coastal management, emergency management services
- **government owned/managed assets:** rail corridors, state highways and bridges, schools, hospitals, conservation land, social services and emergency services
- **privately owned/managed assets:** utilities – electricity, gas and telecommunications.

Significance and Engagement Policy

1. Objective

All decisions Council makes must be made in accordance with the decision-making requirements set out in sections 76AA–81 of the Local Government Act 2002 (LGA). Council must ensure that the community receives every opportunity to engage with the decision-making process, particularly in cases where the decision is significant and may represent a material departure from existing policy.

Council must make a judgement about how to comply with the LGA in a way that:

- reflects the significance or materiality of the matter under consideration
- enhances the community's ability to engage.

This policy explains Council's approach to determining the significance or materiality of a decision and lists the thresholds, criteria and procedures that Council and its community will use in the assessment.

2. Introduction

The LGA sets out the framework for Council's consultation and decision-making processes. Significance is a key concept in this framework. The term 'significance', as used in the LGA, is defined in section 5.

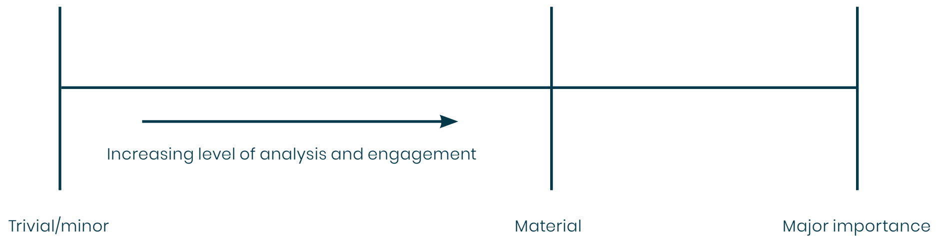
A decision about issues, assets and other matters is significant if it will mean a material departure from existing policy. A difference or variation is material if it could, by itself or in combination with other differences, influence the decisions or assessments of those reading or responding to the engagement document.

The type of decisions a Council and its community must make can range from those that are trivial in nature to those that are of major importance. The Council must decide where in the range of 'trivial' to 'very important' a decision sits and what level of analysis and engagement is appropriate every time it makes a decision.

The significance (materiality) range has a threshold at which point decisions are deemed to be 'significant'. If an issue requiring decision is determined to be 'significant', the Council will:

1. undertake community engagement responding to community preferences for engagement and clearly identifying why, how and when the community can expect to be engaged with using the special consultative procedure set out in section 83 of the LGA
2. ensure that every decision complies with the decision-making requirements set out in sections 76AA–81
3. take into account the relationship of Māori and Māori culture and traditions, if any of the options involves a significant decision in relation to land or a body of water, under section 77.

The Significance and Engagement Policy and the supporting information contained in Council's Community Engagement Strategy gives Council guidance on what consultation processes it should follow in relation to a particular decision. The Council's Guide to Good Decision Making provides further information as to what analysis is appropriate given the significance and nature of a decision. Even where Council thinks that a particular decision does not reach the 'significant' threshold, it may still choose to adopt the special consultative procedure.



3. Approach to decision-making and significance

Determining significance

A significant decision is one that has a high degree of significance in terms of its impact on:

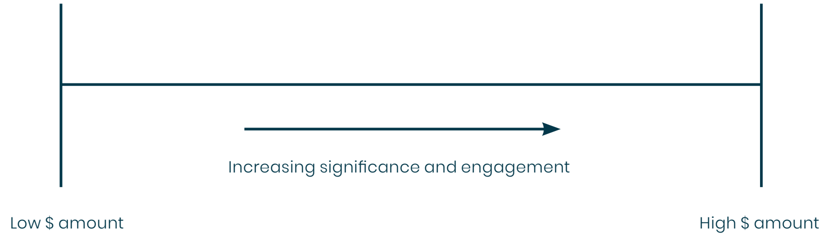
- the wellbeing of Hutt City; and/or
- persons likely to be affected by or with an interest in that decision; and/or
- the costs to or the capacity of the Council to provide for the wellbeing of the city.

When considering the significance of a proposal, decision or other matter, Council will use the following criteria. (Note: the cumulative effect of these criteria determines the overall significance of a matter.)

Procedure

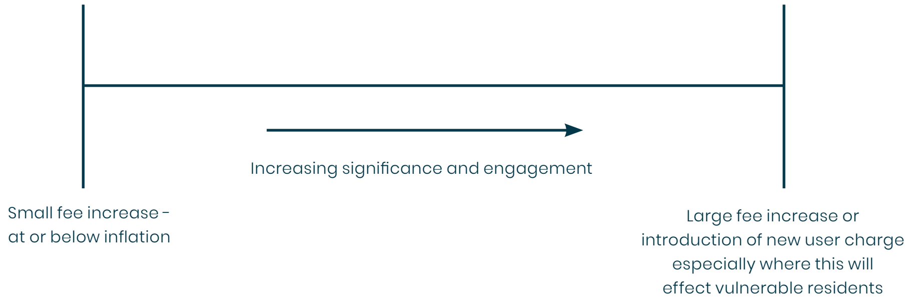
- The extent to which the matter flows logically and consequentially from a significant decision already made, or from a decision in the Long Term Plan or the Annual Plan

- The extent of the matter in terms of its net cost to the Council. Where a decision has not been highlighted through the Long Term Plan or Annual Plan, a decision involving a change in spending of more than 10 per cent of the planned capital expenditure for capital items or 5 per cent of the planned operating expenditure for operating decisions will be considered significant.



- Whether the decision involves the transfer of ownership or control or the disposal or abandonment of a strategic asset as a whole, as defined by the LGA or listed in section 5 of this policy. Council will also consider the degree to which transfer of ownership or control or the disposal or abandonment of a part of a strategic asset undermines the integrity/functioning of the asset as a whole or restricts the networking utility of the asset.

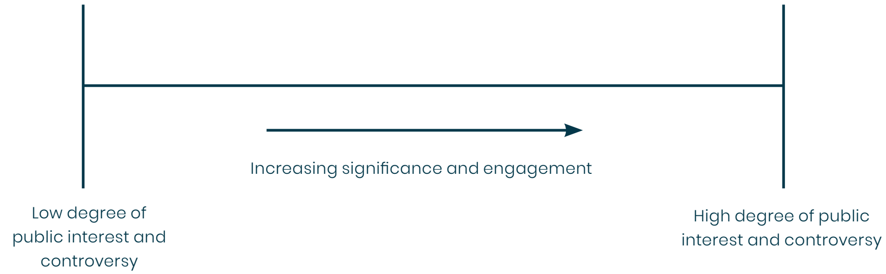
- Whether the matter includes consideration of a large increase in user fee or the introduction of a user fee for a service that has previously been provided free of charge.



- Whether the matter includes consideration of an alteration to the intended level of service provision for any core Council activity, including a decision to commence or cease any such activity.

- Practicality: The LGA provides for Council to take into account the circumstances under which a decision is taken and what opportunity there is to consider a range of options and the views and preferences of other people. In circumstances in which failure to make a decision urgently would result in the loss of opportunities Council has assessed as able to contribute to achieving community outcomes, Council will tailor its decision-making processes to allow as much evaluation and engagement as practicable while working within the required timeline.

- The extent to which the matter under consideration is of public interest or controversial within the community.



All reports to Council will include an assessment of the significance of the report's recommendations and the level and type of engagement required to ensure that the community gets every opportunity to engage with the decision-making process, particularly in cases where the decision being made is significant and may be a material departure from existing policy. A statement showing how the Council has appropriately observed the LGA, or will appropriately observe it, with regard to the appropriate degree and form of engagement and analysis, will also be included.

If Council considers recommendations to be above the 'significant' threshold, it will seek an external peer review to confirm that the decision-making process it undertakes is in accordance with the decision-making requirements set out in ss76AA–81of the LGA.

Engagement

Council's Community Engagement Strategy covers:

- interaction between Council and the community undertaken for democratic decision making
- ongoing engagement with the community in the spirit of partnership.

It outlines Council's community engagement philosophy and commitment to the community, and summarises:

- our community engagement goals
- the main types of community engagement Council undertakes
- how community engagement relates to the decision-making process and how Council considers involving the public in decision-making
- our approach to community partnerships
- our commitment to engaging Māori as a Treaty partner
- key opportunities for improving our community engagement.

'Community engagement' is much broader than 'consultation', although consultation is encompassed within that term. Community engagement includes the full range of community participation in decision making from the provision of information only right through to Council supporting community initiatives. The different degrees of community engagement relate to the extent that Council devolves decision-making powers (and implementation) to the community, or, conversely, holds those powers.

At a high level, Council undertakes five main types of community engagement. Although each type of community engagement has its place in Council, this strategy does not prescribe the type of community engagement that must be employed in specified circumstances. The range of Council's activities and decisions is too varied for such an approach. The section on decision making below does outline some of the high-level factors Council takes into account when considering what type of community engagement is suitable for a specific proposal or issue.

The five main types of community engagement are:

1. information – the provision of information supports all types of community engagement and keeps people informed about such things as decisions, services and local events
2. consultation – council will use consultation when there is a decision to make about something or when there are a number of choices about the details. Most proposals and related decisions do not reach the significance threshold but they involve consultation
3. deciding together –where a decision will affect a particular community or communities, Council will work with local people when deciding which option to choose. A good example of this is the rebuild of Naenae Pool and the Naenae Spatial Plan
4. acting together – sometimes implementation of decisions occurs in partnerships between Council and local people or agencies. The collaborative effort across the city to respond to COVID-19 is an example of this
5. supporting community initiatives – council can empower independent groups to develop and carry out their own plans. In this case Council's role is primarily supportive or facilitative. A lot of the work of Council's community support staff involves supporting community initiatives.

Decision making

The Council is involved in a wide range of activities, from setting policies on gaming in the city and developing and enforcing local regulations or promoting tourism right through to the delivery of services and infrastructure like libraries and roads. The kinds of decision involved range from minor operational matters to setting longer-term strategy.

In general terms, these decisions usually involve the first three types of community engagement – information, consultation and deciding together. In many cases, the same decision or issue may involve different types of community engagement at different steps in the decision-making process. It is important that the community and Council have a common understanding of the decision-making process and how Council decides when and how much to engage the community.

Council's Community Engagement Strategy illustrates its general decision-making process. The strategy also outlines the key factors Council generally takes into account when developing a community engagement plan for a specific proposal or decision.

Council has also developed internal guidance – the Community Engagement Guidelines – to assist staff when they are deciding on the best approach to community engagement for a particular matter, proposal or decision. Council has trained community engagement mentors who are also available to assist colleagues design and implement an engagement strategy that is appropriate to the circumstances.

Spoken/sign language interpretation

Council will make sure that people who require spoken/sign language interaction can obtain it through the Sub-regional Disability Forum and non-government organisations that provide sign/spoken language services.

Strategic Assets

The LGA defines a strategic asset in section 5 as:

> 'an asset or group of assets that the local authority needs to retain if the local authority is to maintain the local authority's capacity to achieve or promote any outcome that the local authority determines to be important to the current or future wellbeing of the community; and includes—
>
> (a) any asset or group of assets listed in accordance with section 76AA(3) by the local authority; and
>
> (b) any land or building owned by the local authority and required to maintain the local authority's capacity to provide affordable housing as part of its social policy; and
>
> (c) any equity securities held by the local authority in—
> (i) a port company within the meaning of the Port Companies Act 1988:
> (ii) an airport company within the meaning of the Airport Authorities Act 1966'

In accordance with section 76AA(3) of the LGA, Council considers the following assets to be strategic:

- the roading network
- the wastewater and treatment network
- the stormwater network
- the water supply network
- landfills
- the network of parks and reserves
- the Dowse and Petone Settlers museum collections
- the library network.

Development and Financial Contributions Policy

Adoption, application and review of the policy

This Development and Financial Contributions Policy was adopted by Hutt City Council on 30 June 2021. It will apply to all resource consents, building consents, certificates of acceptance and service connections applied for from 1 July 2021. The previous policies shall continue to apply for all complete resource or building consents and authorisations for service connections submitted to the Council before this date.

Council will review the policy on a three-yearly basis, may update it at shorter intervals if necessary. See the Council website www.huttcity.govt.nz for further information.

Introduction

Purpose of the Policy

Population and business growth create the need for new subdivisions and developments, and these place increasing demands on the assets and services Council provides. As a result, we need significant investment in new or upgraded assets and services.

The purpose of this policy is to ensure that a fair, equitable and proportionate share of the cost of new infrastructure is funded by development. Hutt City Council intends to achieve this by using:

- development contributions under the Local Government Act 2002 (LGA) to help fund growth-related capital expenditure on water, wastewater, stormwater and transport in the city
- financial contributions under the Resource Management Act 1991 (RMA) to help fund growth-related reserve provision and any infrastructure impacts caused directly by a development that are not addressed and funded by development contributions.

Navigating this document

The policy outlines Council's approach to funding development infrastructure via development contributions and financial contributions. The policy has three main parts:

Part 1: Policy operation
Part 2: Background and supporting information
Part 3: Catchment map.

Part 1: Policy Operation

Part 1 provides information on if, when and how development contributions and financial contributions will apply to developments. It also explains people's rights, and proper operation of the policy.

The key sections of Part 1 are:

- the charges
- liability for development contributions
- when development contributions are levied
- determining infrastructure impact
- review rights
- other operational matters
- summary of financial contributions under the District Plan
- definitions.

Part 2: Background and Supporting information

Part 2 aims to meet the accountability and transparency requirements of the LGA. It explains Council's policy decisions, calculation of the development contribution charges and the assets Council will use the development contributions for.

The key sections of Part 2 are:

- requirement to have a policy
- funding summary
- funding policy summary
- catchment determination
- significant assumptions of the policy
- cost allocation
- calculating the development contribution charges
- schedule 1: growth-related assets and development contribution calculations summary.

Part 3: Catchment Map

Part 3 provides a catchment map that shows where the development contribution charges in the policy apply.

Part 1: Policy operation

Development contributions

The charges

There are six local catchments, plus one district-wide catchment, within Lower Hutt for development contributions. Part 3 maps these.

Table 1 sets out the related development contribution charges per equivalent household unit (EHU) for each activity. The Determining infrastructure impact section below explains the concept of an EHU.

For each infrastructure activity and catchment for which development contributions are required, the development contribution payable is calculated by multiplying the number of EHUs generated through the development by the charge for that activity. This is then aggregated for all activities to give the total charge. For example, a development on the Valley Floor that creates three additional residential lots will pay three times the water, wastewater, stormwater and transport charges for that catchment (see Charge per EHU in Table 1). The total development contributions payable in this case would be $45,237 (inclusive of GST).

These charges may be adjusted for inflation annually in line with the Producers Price Index outputs for construction, as permitted by sections 106(2B) and (2C) of the LGA. The Council will publish the latest charges on its website: www.huttcity.govt.nz.

The rural catchment is subject to only the district-wide transport development contributions. In all other catchments, the district-wide transport development contribution applies as well as catchment-specific contributions for other activities.

	Eastbourne	Stokes Valley	Valley Floor	Wainuiomata	Western Hills	Rural*	District-wide*
Transport	$0	$0	$0	$0	$0	$0	$2,497
Water	$0	$0	$7,680	$12,383	$1,231	$0	$342
Wastewater	$667	$667	$667	Ongoing	$667	$0	$3,188
Stormwater	$864	$15	$160	$1,821	$88	$0	$244
Total	$1,530	$682	$8,507	$19,729	$1,985	$0	$6,272
Charge per EHU (including the district-wide charge)	$7,802	$6,954	$14,779	$26,000	$8,257	$2,497	$6,272

Liability for development Contributions

Developers who are subdividing, building, connecting to Council's services or otherwise undertaking development in Hutt City may need to pay development contributions.

In some circumstances, development contributions may not apply, or may be reduced. Further information on these circumstances can be found in the sections When development contributions are levied, Credits and Limitations on imposing development contributions below.

Financial contributions may also be required in some cases. This is discussed later in the policy.

Development of new infrastructure sometimes means that areas not previously liable for a development contribution become so. For example, a bare section in a subdivision may be liable for development contributions whereas previously constructed houses on the same subdivision were not.

Council officers will be available to help resolve any uncertainty about development contribution liabilities.

When development contributions are levied

Once a developer has made an application for a resource consent, building consent, certificate of acceptance or service connection with all the required information, the normal steps for assessing and requiring payment of development contributions are.

1. TRIGGER
   We assess the development for development contributions
2. NOTICE
   We issue a formal notice of requirement
3. INVOICE
   We issue an invoice requiring payment
4. PAYMENT
   Development contributions are paid

These steps are explained in more detail below.

Trigger for requiring development contributions

Council can require development contributions for a development upon the granting of:

- a resource consent
- a building consent or certificate of acceptance
- an authorisation for a service connection for water, wastewater or stormwater services.

Council will generally require development contributions at the earliest possible point (ie, at the point to whichever consent, certificate or authorisation listed above is granted first). For new developments, the resource consent is often the first step in the process and therefore the first opportunity to levy development contributions. Where development contributions were not assessed (or only part assessed) on the first consent, certificate or authorisation for a development, this does not prevent the Council assessing contributions on a subsequent consent, certificate or authorisation for the same development. This approach is the same for all charges in all catchments.

Council will assess development contributions under the policy in force at the time the application for resource consent, building consent, certificate of acceptance or service connection was submitted with all required information.

Assessment

On receiving an application for resource consent, building consent, certificate of acceptance or service connection, Council will check that:

a) the development (subdivision, building, land use or work) generates a demand for network infrastructure

b) the effect of that development (together with other developments) is to require new or additional assets or assets of increased capacity in network infrastructure

c) Council has incurred or will incur capital expenditure to provide appropriately for those assets. This includes capital expenditure already incurred by Council in anticipation of development.

Council has identified the assets and areas that are likely to meet the requirements of (b) and (c); these are outlined in Schedule 1 (Growth-related assets development contribution calculations summary) and Part 3 (Catchment map). In general, if a development is within one of the areas covered by the catchment maps it is likely that the Council will require development contributions.

The Council may waive or reduce development contributions if:

- a resource consent or building consent does not generate additional demand for any community facilities (such as a minor boundary adjustment); or
- one of the circumstances outlined in the section Limitations on imposing development contributions apply; or
- credits apply as outlined in the Credits section.

If a developer seeks a subsequent resource consent (excluding a change to conditions of an existing resource consent), building consent, certificate of acceptance or service connection, Council may undertake a new assessment using the policy in force at that time. Any increase or decrease in the number of EHUs, relative to the original assessment, will be calculated and the contributions adjusted to reflect this.

This means Council will require additional development contributions where additional units of demand are created and development contributions for those additional units of demand have not already been required.

Examples of where these would be needed include the following situations:

- minimal development contributions were levied on a commercial development at subdivision or land use consent stage, as the type of development that will happen will only be known at building consent stage
- development contributions levied at the subdivision or land use consent stage were for a small home, but the home as built is larger or is subsequently extended
- the nature of use has changed; for example, from a low-infrastructure-demand commercial use to a high-infrastructure-demand commercial use.

Notice

Council will normally issue a development contribution notice when a resource consent, building consent, certificate of acceptance or service connection authorisation is granted. In some cases, the notice may be issued or re-issued later. The notice is an important step in the process as it outlines the activities and the number of EHUs assessed for development contributions, as well as the charges that will apply to the development. It also triggers rights to request a development contributions reconsideration or to lodge an objection (see the section Review rights below).

If Council is issuing multiple consents or authorisations for a development, it may issue a notice of requirement for each. However, where payments are made in relation to one of the notices, actual credits will be recognised for the remaining notices.

Development contributions notices do not constitute an invoice or an obligation to pay for the purposes of the Goods and Services Tax Act 1985. Council will issue a tax invoice at the time of supply, being the earlier of Council issuing an invoice to the applicant or payment of the development contributions.

Invoice

Council will issue an invoice for development contribution charges to provide an accounting record and to initiate the payment process. The timing of the invoice is different for different types of consents or authorisations (see Table 2).

Despite the provisions set out above, if a development contribution is not invoiced at the specified time as a result of an error or omission on the part of Council, the invoice will be issued when the error or omission is identified. The development contributions remain payable.

Table 2: Invoice timing

Building consent	At the time of application for a code compliance certificate.
Certificate of acceptance	At issue of a certificate of acceptance.
Resource consent for subdivision	At the time of application for a certificate under section 224(c) of the RMA. Council will issue an invoice for each stage of a development for which section 224(c) certificates are sought, even where separate stages are part of the same consent.
Resource consent (other)	At granting of the resource consent.
Service connection	At granting of the service connection for water, wastewater or stormwater services.

Payment

Development contributions must be paid by the due dates in Table 3.

Table 3: Payment due date

Building consent	Prior to issue of the code compliance certificate.
Certificate of acceptance	At issue of the certificate of acceptance.
Resource consent for subdivision	Prior to release of the certificate under section 224(c) of the RMA for each stage.
Resource consent (other)	On the 20th of the following month (after the issue of the invoice).
Service connection	At issue of the connection approval.

1 GST has been applied at the rate of GST as at 1 July 2021 (15 per cent). Should the rate of GST change, the Council will adjust the charges accordingly. The GST-exclusive charge per activity can be found in Schedule 1.

On-time payment is important because, until the development contributions have been paid in full, Council may:

- prevent the commencement of a resource consent
- withhold a certificate under section 224(c) of the RMA
- withhold a code compliance certificate under section 95 of the Building Act 2004
- withhold a service connection to the development
- withhold a certificate of acceptance under section 99 of the Building Act 2004.

Where invoices remain unpaid beyond the payment terms set out in the policy, Council will start debt collection proceedings, which may involve the use of a credit recovery agent. Council may also register the development contribution under the Land Transfer Act 2017, as a charge on the title of the land in respect of which the development contribution was required.

Determining infrastructure impact

To apply a consistent method of charging for development contributions, the policy is centred around the concept of an EHU: an average household in a standard residential unit (RU) and the demands it typically places on community facilities. Table 4 summarises the demand characteristics of an EHU.

Table 4: EHU demand measures

Activity	Unit of measurement	Demand per EHU
Water	Litres per day	567 litres per day
Wastewater	Litres per day	510 litres per day
Stormwater	Impervious surface area	200m2
Transport	Trips per day	8 trips per day

Residential development

In general, the number of EHUs charged is one per new allotment or RU created, although lower assessments can apply in some cases for minor and small RUs.

When calculating the number of EHUs for a residential subdivision, Council will adjust the assessment to account for any:

- credits relating to the site (refer to the Credits section below)
- allotment which, by agreement, is to be vested in Council for a public purpose
- allotment required as a condition of consent to be amalgamated with another allotment.

Retirement units and visitor accommodation units will be assessed as 0.5 EHUs for each service.

Minor and small RUs

Council will permit lower assessments for minor or small RUs in relation to:

- building consents or certificate of acceptance
- subdivision, land use consents, or connection authorisation where information is provided by the applicant that demonstrates that a minor or small RU (or RUs) will be provided, to the satisfaction of Council. Council may enter into agreements with developers or landowners to give effect to a minor or small RU assessment and bind the applicant to any conditions that accompany the assessment.

For subdivisions, Council will assess each allotment as one EHU, and may agree to postpone payment by the person undertaking the subdivision until a building consent is issued for an allotment. At that time, Council will adjust the assessment and the payment required accordingly. See the section Postponement.

Such assessments are guided by the parameters outlined in Table 5.

Table 5: Small RU assessment guidance

	MINOR RU	SMALL RU	STANDARD RU
Number of bedrooms*	1	2	3 or more
EHU discount (all services)	50%	25%	Nil
Proportion of EHU payable for all charges	0.5	0.75	1

* The Definitions section defines 'bedroom'.

Should additional bedrooms be proposed to a minor or small RU that has been assessed under this section, Council will require additional development contributions in line with Table 6.

Table 6: Small RU extension assessment guidance (EHUs)

Type of Extension	Top of Proportion Required	Total Proportion Required
Extend minor RU to a small RU	0.25	0.75
Extend minor RU to a standard RU	0.5	1
Extend small RU to a standard RU	0.25	1

Non-Residential development

Non-residential subdivisions, land uses or building developments are more complicated, as they do not usually conform with typical household demands for each service.

In these cases, Council makes a household 'equivalent' assessment based on the characteristics of the development and demand loadings likely to be placed on the services. To provide consistency, the demand measures in Table 4 have been converted for assessing non-residential developments based on gross floor area (Table 7). Council will use these rates for determining EHUs for non-residential developments unless it seeks or accepts a special assessment.

Table 7: EHU per 100m2 gross floor area (except stormwater, which is based on total impervious surface area)

Development Type	Water	Wastewater	Storm water	Transport
Industrial	0.4	0.4	0.5	4
Commercial	0.4	0.4	0.5	3
Retail	0.4	0.4	0.5	6.0
Other non-residential	Special assessment	Special assessment	0.5	Special assessment

If no proper assessment of the likely demand for activities is able to be carried out at the subdivision consent stage, Council will charge a development contribution based on one EHU for each new allotment created and will require an assessment to be carried out at the building consent stage. This later assessment will credit any development contributions paid at the subdivision consent stage.

Special assessments

Developments sometimes require a special level of service or are of a type or scale that is not readily assessed in terms of EHUs – such as large-scale primary sector processors or service stations. In these cases, Council may decide to make a special assessment of the EHUs applicable to the development. Council may initiate this process or may consider a request by the developer, in writing, to make a special assessment prior to a development contribution notice being issued.

In general, Council will evaluate the need for a special assessment for one or more activities where it considers that:

- the development is of relatively large scale or uses; or
- the development is likely to have less than half or more than twice the demand for an activity listed in Table 7 for that development type; or
- a non-residential development does not fit into an industrial, retail or commercial land use and must be considered under the other category in Table 5; or
- a non-residential development may use more than 5m3 of water per day.

Council will use the demand measures in Table 4 to help guide special assessments.

Where the special assessment is requested by the developer, the onus is on the applicant to prove (on the balance of probabilities) that the actual increased demand created by the development meets the requirement of criterion (b) above.

Any application for a special assessment must be accompanied by the fee payable to recover the Council's actual and reasonable costs of determining the application. The fee will be assessed at the time of application. Council may levy additional fees to meet Council's actual costs, should the actual costs be materially higher than the initial assessment.

If a special assessment is undertaken, Council may require the developer to provide information on the demand for community facilities generated by the development. Council may also carry out its own assessment for any development and may determine the applicable development contributions based on its estimates.

Credits

Credits are a way of acknowledging that the lot, home or business may already be connected to, or lawfully entitled to use, one or more Council services, or a development contribution has been paid previously. Credits can reduce or even eliminate the need for a development contribution. Credits cannot be refunded and can only be used for development on the same site and for the same service for which they were created.

Council gives a credit for the number of EHUs paid previously or assessed for the existing or most recent prior use of the site. This is to recognise situations where the incremental demand increase on infrastructure is not as high as the assessed number of units of demand implies.

Council will calculate the number of EHU credits available by applying the criteria in the above paragraph except where what is being considered is residential allotments existing as at 1 July 2006 – these are deemed to have a credit of one EHU.

Table 8 illustrates situations where credits will arise.

Table 8: Credit examples

Re-development of six residential allotments into a commercial office block.	6 EHU credits (ie, one for each of the existing residential allotments).
Infill residential subdivision of existing allotment into two allotments.	1 EHU credit (ie, one for the original allotment). Development contributions payable on 1 EHU.
Residential development of existing central business district site with 400m2 gross floor area (GFA) commercial building (200m2 footprint) into eight unit title apartments – no additional impervious area.	Roading and traffic: 12 EHU credits (400m2 GFA x 3 EHUs per 100m2).
	Water supply: 1.6 EHU credits (400m2 GFA x 0.4 EHUs per 100 m2).
	Wastewater: 1.6 EHU credits (400m2 GFA x 0.4 EHUs per 100 m2).
	Stormwater: 1 EHU credit (200m2 impervious surface x 0.5 EHUs per 100m2.

Review rights

Developers are entitled under the LGA to request a reconsideration or lodge a formal objection if they believe Council has made a mistake in assessing the level of development contributions for their development.

Reconsideration

Using the reconsideration request process, developers can formally require Council to reconsider its assessment of development contributions for a development. Developers can make reconsideration requests where they have grounds to believe that:

- the Council incorrectly calculated or assessed the development contribution levied under the policy; or
- council has incorrectly applied the policy; or
- the information Council used to assess the development against the policy, or the way that Council recorded or used that information when requiring a development contribution, was incomplete or contained errors.

To seek a reconsideration, the developer must:

- lodge the reconsideration request within 10 working days of receiving the development contribution notice by emailing it to developmentcontributions@huttcity.govt.nz
- use the reconsideration form (found on www.huttcity.govt.nz) and supply any supporting information with the form
- pay the reconsideration fee at the time of application, as set out in Council's Schedule of Fees and Charges.

Council will return applications with insufficient information or without payment of fee to the applicant, with a request for additional information or payment.

Once Council has received all required information and the reconsideration fee, the request will be considered by a panel of a minimum of two, and a maximum of three, staff. The panel will comprise staff who were not involved in the original assessment. Before reaching their decision, the panel will consider all of the information supplied by the applicant and will consider and apply the requirements of the policy, along with any other information that the panel considers is relevant. The result of a reconsideration decision may confirm the original assessment or increase or decrease the amount required.

Council will notify the applicant of its decision within 15 working days from the date on which Council receives all required relevant information relating to the request (including additional information Council has sought).

Council will not accept any reconsideration request received after the 10-working-day period, or where an objection has already been lodged under section 199C of the LGA. The applicant will receive written notice if the request for reconsideration cannot be made for one of these reasons. Council reserves the right to reconsider an assessment if it believes an error has been made.

Objections

The objections process is more formal; it allows developers to seek a review of the Council's decision. An application for reconsideration does not prevent the applicant from also filing an objection under section 199c of the LGA.

A panel of up to three independent commissioners will consider the objection. The decision of the commissioners is binding on the developer and the Council, although either party may seek a judicial review of the decision.

Objections may only be made on the grounds that Council has:

- failed to properly take into account features of the development that, on their own or cumulatively with those of other developments, would substantially reduce the impact of the development on requirements for community facilities in the district or parts of the district; or
- required a development contribution for community facilities not required by, or related to, the development, whether on its own or cumulatively with other developments; or
- required a development contribution in breach of section 200 of the LGA; or
- incorrectly applied the policy to the development.

Schedule 13A of the LGA sets out the objection process. To pursue an objection, the developer must:

- lodge the request for an objection within 15 working days of receiving notice to pay a development contribution, or within 15 working days of receiving the outcome of any request for a reconsideration; and
- use the objection form (found on www.huttcity.govt.nz) and supply any supporting information with the form; and
- pay a deposit.

Objectors are liable for all costs incurred in the objection process including staff arranging and administering the process, commissioners' time and other costs incurred by Council associated with any hearings, such as room hire and associated expenses, as provided by section 150A of the LGA. However, objectors are not liable for the fees and allowances costs associated with any Council witnesses.

Other operational matters

Refunds

Sections 209 of the LGA states the circumstances in which development contributions must be refunded, or land returned. In summary, Council will refund development contributions paid if:

- the resource consent lapses under section 125 of the RMA, or is surrendered under section 138 of the RMA; or
- the building consent lapses under section 52 of the Building Act 2004; or
- the development or building in respect of which the resource consent or building consent was granted does not proceed; or
- council does not provide the network infrastructure for which the development contributions were required.

Council will also provide refunds where overpayment has been made (for whatever reason).

Where the Council refunds a development contribution, it may retain a portion of the contribution equivalent to the costs incurred by the Council in assessing, requiring and refunding the charges.

Limitations on Imposing Development Contributions

Council is unable to require a development contribution in certain circumstances, as outlined in section 200 of the LGA, if, and to the extent that:

- it has, under section 108(2)(a) of the RMA, imposed a condition on a resource consent in relation to the same development for the same purpose; or
- the developer will fund or otherwise provide for the same network infrastructure; or
- a third party has funded or provided, or undertaken to fund or provide, the same network infrastructure; or
- the Council has already required a development contribution for the same purpose in respect of the same building work, whether on the granting of a building consent or a certificate of acceptance. However, the Council may require another development contribution to be made for the same purpose if the further development contribution is required to reflect an increase in the scale or intensity of the development since the original contribution was required.

In addition, Council will not require a development contribution in any of the following circumstances:

- non-residential building work for which a building consent is required and that either is less than $20,000 exclusive of GST in value or has a GFA of less than 10m2, unless the building consent is for a change of use
- in relation to any dwelling, replacement development, repair or renovation work generates no additional demand for reserve or network infrastructure
- the conversion of an existing unit developments into unit titles. This does not apply to any building consents required as part of any changes to existing units, which the Council will still assess to determine if development contributions are applicable
- the building consent is for a bridge, dam (confined to the dam structure and any tail race) or other public utility
- the application for a resource or building consent, authorisation or certificate of acceptance is made by the Crown
- the development is being undertaken by Council. This exemption does not apply to developments undertaken by or on behalf of Council organisations, Council-controlled organisations or Council-controlled trading organisations, as defined in section 6 of the LGA
- in rural areas for stormwater development contributions, where no Council stormwater systems are provided
- for water and/or wastewater development contributions if a development does not connect to Council's water supply and/or wastewater reticulation systems.

Postponement

Council will only permit postponement of development contribution payments at its discretion and only:

- for development contributions over $50,000; and
- where a bond or guarantee equal in value to the payment owed is provided.

The request for postponement must be made at the time a resource consent, building consent or service connection is granted. Bonds or guarantees:

- will only be accepted from a registered trading bank

- shall be for a maximum period of 24 months, beyond the normal payment date set out in the policy, subject to later extension as agreed by Council
- will have an interest component added, at an interest rate of 2 per cent per annum above the Reserve Bank 90-day bank bill rate on the day the bond document is prepared. The bonded sum will include interest, calculated using the maximum term set out in the bond document. If Council agrees to an extension of the term of the guarantee beyond 24 months, the applicable interest rate will be reassessed from the date of the Council's decision and the guaranteed sum will be amended accordingly
- shall be based on the GST-inclusive amount of the contribution.

At the end of the term of the guarantee, the development contribution (together with interest) is payable immediately to Council.

If Council exercises the discretion to allow a bond, the applicant will meet all costs for preparation of the bond documents.

Development agreements

Council may enter into specific arrangements with a developer for the provision and funding of particular infrastructure under a development agreement, including the development contributions payable, as provided for under sections 207A–207F of the LGA. For activities covered by a development agreement, the agreement overrides the development contributions normally assessed as payable under the policy.

Remissions

Council may remit all or part of a development contribution at its complete discretion. Council will only consider exercising its discretion in exceptional circumstances. Applications made under this part will be considered on their own merits and any previous decisions of Council will not be regarded as binding precedent.

Any request for remission must be made in writing and set out the reasons for the request. The request must be made:

- within 15 working days after Council has issued a notice for the development contribution payable; and
- before the development contribution payment is made to Council.

Council will not allow retrospective remissions of development contributions.

Council delegates to the Chief Executive Officer, in conjunction with the Chair of the Finance and Audit and Risk Subcommittee, with authority to delegate to officers, the authority to make a decision on a request for remission.

When considering a request for remission, Council will take into account:

- the purpose of development contributions, Council's financial modelling and Council's funding and financial policies
- the extent to which the value and nature of the works proposed by the applicant reduces the need for works proposed by Council in its capital works programme
- any other matters that Council considers relevant.

Financial contributions

Relationship between financial contributions and development contributions

The financial contributions and development contributions in this policy are separate charges, and Council uses them to fund separate categories of expenditure. This ensures there is no 'double dipping' and is consistent with the intention of section 200 of the LGA.

Development contributions can be required under the LGA and are used to help fund planned and budgeted capital expenditure related to growth for the activities and assets listed in the development contributions schedule of assets in this policy (Schedule 1).

Financial contributions can be required under the RMA in line with the provisions in the District Plan. Financial contributions are required for reserves and where individual developments give rise to capital expenditure that is not planned and recovered via development contributions. In these cases, Council may impose a financial contribution as a condition of resource consent, specifically:

- financial contributions for reserves
- financial contributions to which District Plan Rules 12.2.1–12.2.1.6 and 12.2.2.1 apply.

A brief summary of these is provided below. Further information on financial contributions can be found in the District Plan (available at www.huttcity.govt.nz).

Summary of financial contributions under the district plan

Reserve contributions – subdivision of land

There is a long history of local authorities requiring subdividers of land to provide land or money for the purpose of providing public open space as reserves. Reserves are generally required as part of the subdivision process, as they provide open space and recreation facilities and opportunities to cater for additional demand generated; they also protect and enhance amenity values. As communities continue to grow in size and population, the extent of public open space they require increases.

As part of its evaluation under section 32 of the RMA, Council assessed a number of options and undertook considerable consultation with the public, developers and other special interest groups. Council decided that reserve contributions should be set at a maximum of 7.5 per cent of the value of each additional allotment. It recognised that the maximum reserve contribution is not appropriate in all cases, and this can be adjusted taking into account criteria specified in Rule 12.2.1.7(b) of the District Plan.

Reserve contributions – development of land

The District Plan also recognises that the development of land for business/commercial purposes can increase the number of people employed at a particular location, and consequently there may be an increase in demand for open space and recreation areas. After considerable consultation with the public, property owners, developers and other special interest groups, and after evaluating various options, Council decided that where commercial or industrial development will result in an increase or intensification of use of land, a reserve contribution in the form of money equivalent to 0.5 per cent of the value of the development in excess of $200,000 is appropriate. It recognised that the maximum reserve contribution is not appropriate in every case, and the maximum could be adjusted based on criteria specified in Rule 12.2.2.2(b) of the District Plan.

Financial contributions – services

Under the District Plan the developer of a subdivision or development is responsible for funding all work within its boundaries relating to services directly required for the subdivision or development. This approach has been in practice for a very long time. Council has adopted two main methods for imposing financial contributions in the District Plan: the recoupment impact fee (sometimes called the recognised equity method) and the capital improvements programme fee.

In summary, the District Plan requires financial contributions as follows:

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

Financial contributions – traffic impact fee for retail activities and places of assembly in all residential and rural activity areas

The District Plan recognises that large-scale retail activities exceeding 3,000m2 in floor area and all places of assembly in residential and rural activity areas may have adverse effects on the surrounding roading network and on pedestrian circulation. In such circumstances the District Plan requires that the developer contribute to the upgrading and modification of the surrounding roads, intersections and footpaths.

However, under the Resource Legislation Amendment Act 2017 councils will not be able to charge financial contributions under the RMA from five years following the royal assent of that act. Council will take this issue into account at the next three-yearly review cycle for this policy.

Definitions

In the policy, unless the context otherwise requires, the following applies:

Accommodation unit has the meaning given in section 197 of the LGA.

Activity means the provision of facilities and amenities within the meaning of network infrastructure for which a development contribution charge exists under the policy.

Actual increased demand means the demand created by the most intensive non-residential use(s) likely to become established in the development within 10 years from the date of application.

Allotment (or lot) has the meaning given to allotment in section 218(2) of the RMA.

Asset management plan means Council plan for the management of assets within an activity that applies technical and financial management techniques to ensure that specified levels of service are provided in the most cost-effective manner over the life-cycle of the asset.

Bedroom means any habitable space within an RU that is capable of being used for sleeping purposes and that can be partitioned or closed for privacy, including spaces such as a 'games room', 'family room', 'recreation room', 'study', 'office', 'sewing room', 'den' or 'works room'. The definition excludes:

- a kitchen or pantry
- a bathroom or toilet

- a laundry or clothes-drying room
- a walk-in wardrobe
- a corridor, hallway or lobby
- a garage
- any other room smaller than 6m2.

Where an RU has any living or dining rooms that can be partitioned or closed for privacy, all such rooms except one shall be considered a bedroom.

Capacity life means the number of years that the infrastructure will provide capacity for any associated EHUs.

Catchment means the areas within which development contributions charges are determined and charged.

Commercial activity means any activity associated with (but not limited to): communication services, financial services, insurance, services to finance and investment, real estate, business services, central government administration, public order and safety services, tertiary education provision, local government administration services and civil defence, and commercial offices.

Community facilities means reserves, network infrastructure or community infrastructure as defined by the LGA, for which development contributions may be required.

Community infrastructure means land, or development assets on land, owned or controlled by the Council for the purpose of providing public amenities, and includes land that the Council will acquire for that purpose.

Council means Hutt City Council.

Development means any subdivision, building, land use or work that generates a demand for reserves, network infrastructure or community infrastructure (but does not include the pipes or lines of a network utility operator).

District means the Lower Hutt.

Equivalent household unit (EHU) means demand for Council services equivalent to that produced by a nominal household in a standard residential unit (RU).
Gross floor area (GFA) means the sum of the total area of all floors of a building or buildings (including any void area in each of those floors, such as service shafts, liftwells or stairwells) measured:

- where there are exterior walls, from the exterior faces of those exterior walls
- where there are walls separating two buildings, from the centre lines of the walls separating the two buildings
- where a wall or walls are lacking (for example, a mezzanine floor) and the edge of the floor is discernible, from the edge of the floor.

See National Planning Standards 2019: https://www.mfe.govt.nz/sites/default/files/media/RMA/national-planning-standards-november-2019.pdf

Industrial activity means an activity that manufactures, fabricates, processes, packages, distributes, repairs, stores or disposes of materials (including raw, processed or partly processed materials) or goods. It includes any ancillary activity to the industrial activity.

LGA means the Local Government Act 2002.

Network infrastructure means the provision of transportation (roading), water, wastewater and stormwater infrastructure.

Network utility operator has the meaning given to it by section 166 of the RMA.

Non-residential development means any development that falls outside the definition of residential development in this policy.

Policy means this Development and Financial Contributions Policy.

Reserves means land for public open space and improvements to that land needed for it to function as an area of usable green open space for recreation and sporting activities and the physical welfare and enjoyment of the public, and for the protection of the natural environment and beauty of the countryside (including landscaping, sports and play equipment, walkways and cycleways, carparks and toilets). In the policy, 'reserve' does not include land that forms or is to form part of any road or is used or to be used for stormwater management purposes.

Residential development means the development of land and buildings for any domestic/living purposes for use by people living on the land or in the buildings.

Residential unit (RU) means a building(s) or part of a building that is used for a residential activity exclusively by one household, and must include sleeping, cooking, bathing and toilet facilities. See National Planning Standards 2019: https://www.mfe.govt.nz/sites/default/files/media/RMA/national-planning-standards-november-2019.pdf

Retail activity means any activity trading in goods, equipment or services that is not an industrial activity or commercial activity.

Retirement unit means any dwelling unit in a retirement village, but does not include aged care rooms in a hospital or similar facility.

Retirement village has the meaning given in section 6 of the Retirement Villages Act 2003.

RMA means the Resource Management Act 1991.

Service connection means a physical connection to an activity provided by, or on behalf of, Council (such as water, wastewater or stormwater services).

Part 2: Policy Details

Requirement to have a policy

Council is required to have a policy on development contributions and financial contributions as a component of its funding and financial policies in its Long Term Plan under section 102(2)(d) of the LGA. The policy meets that requirement.

Funding summary

Council plans to incur $506M (before interest costs) on infrastructure partially or wholly needed to meet the increased demand for community facilities resulting from growth over the period of the 10-year plan . This includes works undertaken in anticipation of growth, and future planned works. Of this cost, approximately 20 per cent will be funded from development contributions. Including interest costs, the total amount to be funded through development contributions is $115M.

Table 9 provides a summary of the total costs of growth-related capital expenditure and the funding the Council will seek by development contributions for each activity. Schedule 1 presents a breakdown by activities and catchment.

Table 9: Total cost of capital expenditure for growth and funding sources (GST-exclusive)

	Water	Wastewater	Stormwater	Transport	Total
Total capital expenditure	$102,277,879	$165,234,051	$13,090,796	$225,821,585	$506,424,311
Growth capital expenditure	$52,873,729	$23,503,121	$5,510,239	$34,772,549	$116,659,638
Development contributions-funded capital expenditure	$52,873,729	$23,503,121	$5,510,239	$17,734,000	$99,621,089
Total capital expenditure proportion funded by development contributions	52%	14%	42%	8%	20%
Capital expenditure proportion funded from other sources*	48%	86%	58%	92%	80%
Total amount to be funded by development contributions (including interest)	$61,357,235	$25,784,853	$6,335,844	$21,117,218	$114,595,150

* No growth expenditure for water, wastewater, stormwater and transport is forecast to be funded by financial contributions under the RMA.

Growth infrastructure

Council's growth forecasts (see the section Projecting growth) are used to derive a programme of infrastructure works. Future elements of this programme (and associated costs) are identified in the Council's 10-year plan and in Schedule 1 of this policy. In some cases, Council has undertaken works to support forecast growth; these are also listed in Schedule 1. All of or part of the costs of these projects can be funded from development contributions. When determining whether a project or programme is growth related and therefore should be included in this policy, Council asks whether growth:

- is an important driver for the works; This is usually the case for projects that have been specifically designed for growth capacity upgrade purposes
- influences the scope or capacity of the proposed work; This is often the case for smaller improvements, upgrade and renewal works that also increase infrastructure capacity, and takes account of the impact on infrastructure of continuing growth within the city.

Council determines the proportion of the costs of these projects or programmes that are attributable to growth in line with the approach outlined in the Cost allocation section.

Funding policy summary

Funding growth expenditure

Population and business growth create the need for new subdivisions and development, and these place increasing demands on the assets and services Council provides. Accordingly, we need significant investment in new or upgraded assets and services to meet the demands of growth – as noted in the previous section.

The Council has decided to fund these costs from:

- development contributions under the LGA for planned expenditure on water, wastewater, stormwater and transport
- financial contributions under the RMA for reserves and where individual developments give rise to capital expenditure that is not planned and recovered via development contributions.

In forming this view, Council has considered the matters set out in section 101(3) of the LGA within its Revenue and Financing Policy, and within the policy for each activity.

The Revenue and Financing Policy is Council's primary and over-arching statement on its approach to funding its activities. It outlines how Council will fund all activities, and the rationale for Council's preferred funding approach.

In addition, Council is required under section 106(2)(c) of the LGA to explain within the policy why it has decided to use development contributions and financial contributions to fund capital expenditure relating to the cost of growth for each activity. This explanation is below. There are no material differences for the purposes of this assessment for different activities funded by development contributions, so this assessment applies equally to each activity. However, growth costs for some transport-related projects and programmes may be subsidised by Waka Kotahi NZ Transport Agency, reducing the proportion of growth costs funded by development contributions to 49 per cent.

Council uses financial contributions to fund the cost of growth-related reserves infrastructure. Reserve financial contributions achieve many of the same benefits and outcomes as development contributions but are simpler to administer.

Community outcomes (section 101(3)(a)(i))

Council has considered whether development contributions and financial contributions are an appropriate source of funding considering each activity, the outcomes sought and their links to growth infrastructure. Council has developed nine outcomes to help achieve our vision of making our city a great place to live, work and play:

- a safe community
- a strong and diverse economy
- an accessible and connected city
- healthy people
- a healthy natural environment
- active engagement in community activities
- strong and inclusive communities
- a healthy and attractive built environment
- a well-governed city.

These outcomes describe a city that is safe, well connected and accessible; that looks after the environment and that provides the foundation needed for a thriving economy. To enable this, we must provide and maintain infrastructure to a high level of service, and make investment to ensure we cater for growth. We are much better able to accommodate this growth if additional funding through development contribution is possible, rather than levelling all cost on existing ratepayers. As a dedicated growth funding source, development contributions also offer funding through which we can deliver on our vision and outcomes for new communities.

Other funding decision factors (sections 101(3)(a)(ii)–(v))

Council has considered the funding of growth-related community facilities against the following matters:

- the distribution of benefits between the community as a whole, any identifiable part of the community and individuals, and the extent to which the actions or inaction of particular groups or individuals contribute to the need to undertake the activity
- the period in or over which those benefits are expected to occur
- the costs and benefits, including consequences for transparency and accountability, of funding the activity distinctly from other activities.

A summary of this assessment is below.

Table 10: Other funding decision factors

Who Benefits / whose act creates the need	A significant portion of Council's work programme over the next 30 years is driven by development or has been scoped to ensure it provides for new developments. The extent to which growth is serviced by and benefits from an asset or programme, as well as how much it serves and benefits existing ratepayers, is determined for each asset or programme in line with the requirements of section 197AB(c) of the LGA. Council believes that the growth costs identified through this process should be recovered from development, as new assets and additional network capacity are principally what creates the need for the expenditure and / or benefit. Where and to the extent that works benefit existing residents and businesses, those costs are recovered through rates. The Catchment determination section below outlines how Council determined the catchments for development contributions in the policy. Using financial contributions for reserves has a similar impact. Financial contributions for other services are required where individual developments give rise to capital expenditure that is not planned and budgeted, and therefore that expenditure is not included in Council's Development Contributions Policy. In these cases, Council can usually identify the individual or group involved and may impose a financial contribution as a condition of resource consent.
Period of benefit	The assets constructed for development will last for a very long time and provide benefits and capacity for developments now and developments in the future. In many cases, the 'capacity life' of such assets spans decades. Development contributions allow development-related capital expenditure to be apportioned over the capacity life of assets. Developments that benefit from the assets will contribute to its cost, regardless of whether they happen now or in the future. This helps ensure that growth now and later contributes a fair share to those assets. Financial contributions for reserves have a similar affect by distributing the cost of providing for growth over time so that current and future developments that benefit contribute.
Funding sources and rationale, including rationale for separate funding	The cost of supporting development in Lower Hutt is significant. Development contributions and financial contributions send clear signals to the development community about the cost of growth and the capital costs of providing infrastructure to support that growth. Council also considers that allocating the full cost of growth to development is fairer to existing ratepayers, and helps ensure economic efficiency. By not imposing the burden of growth costs on existing ratepayers, Council can use rates income to advance its other activities. These activities contribute in a wide range of ways to improving current and future community outcomes. Consequently, Council considers that the benefits to the community are significantly greater than the cost of policy making, calculations, collection, accounting and distribution of funding for development and financial contributions.

Overall impact of liability on the community (section 101(3)(b))

Council has also considered the impact of the overall allocation of liability on the community. In this case, the liability for revenue falls directly with the development community. Council considers that the level of development and financial contributions are affordable and are not out of step with those required by other councils. The highest charges represent less than 5 per cent of the median house price in Te Awa Kairangi Lower Hutt. Consequently, Council does not consider it likely that there will be an undue or unreasonable impact on the social, economic and cultural wellbeing of this section of the community. Nor are the charges expected to divert private sector investment from Lower Hutt on any significant scale.

Moreover, shifting development costs onto ratepayers is likely to be perceived as unfair, and would significantly impact the rates revenue required from existing residents – who do not cause the need or benefit directly from the growth infrastructure needed to service new developments.

Overall, Council considers it fair and reasonable to use development contributions and financial contributions to fund the costs of growth-related capital expenditure for community facilities, and it considers that the social, economic and cultural interests of the district's communities are best advanced in this way.

Catchment determination

When setting development contributions, Council must consider how it sets catchments for grouping charges by geographic areas. The LGA gives Council wide scope to determine these catchments, provided that the Council considers the factors listed in section 101(3) of the LGA, and provided under section 197AB(g) that:

- the grouping is done in a manner that balances practical and administrative efficiencies with considerations of fairness and equity; and
- grouping by geographic area avoids grouping across an entire district wherever practical.

Council has determined that there will be seven catchments. These catchments are:

- the Western Hills
- the Valley Floor
- Stokes Valley
- Wainuiomata
- Eastbourne
- Rural
- Districtwide.

The rationale for the number of catchments is to:

- keep the policy as simple as practicable
- provide flexibility to deliver growth infrastructure where it is most needed
- reconcile the contributions as closely as practicable to the areas where developments have generated the need for capital expenditure on new assets, or assets of increased capacity
- strike a reasonable balance between practical and administrative efficiencies and considerations of fairness and equity.

The boundaries of these catchments, excluding the rural catchment, are defined by the aggregated suburb boundaries and the urban zoning in the District Plan. The catchments are shown on the map in Part 3 of this policy. Developers operating within these catchments will be required to pay contributions applicable in the relevant catchment in accordance with this policy.

The catchments and their boundaries are based on communities of interest (aggregating district suburbs), the geography of the district, the characteristics of the infrastructure and service it provides, the common benefits received across the geographical area supplied by the infrastructure being funded by development contributions, and judgments involving a balance between administrative efficiency and fairness and equity. Projects or programmes that provide capacity and benefits for more than one catchment are attributed to all relevant catchments, and growth costs are shared among those catchments.

The district-wide catchment is only used where it is not practical to break down a project or programme into individual catchments. For example, the Seaview wastewater storage project or Cross Valley Transport Connections benefit all developments. To disaggregate the costs of such projects to catchment level would require different portions of growth capacity to be assigned to different catchments. Without a very detailed amount of information (which the Council does not have available), this would be an arbitrary exercise and likely result in some catchments paying less or more than other catchments for similar capacity and benefits. The district-wide catchment is a practical way of addressing this, and ensures fairness.

Significant assumptions of the policy

Methodology

In developing a methodology for the development contributions in the policy, Council has taken an approach that ensures that the cumulative effect of development is considered across each catchment.

Planning horizons

Council has used a 30-year timeframe as a basis for forecasting growth and growth-related assets and programmes. This is set out in Council's asset management plans.

Projecting growth

Te Awa Kairangi Lower Hutt has experienced high population growth and steady economic growth in recent years, and this growth is forecast to continue. Stats NZ figures indicate steady population growth in the district.

Using forecasts adapted from Stats NZ's median growth forecasts and a commercial growth study as a base, the key assumptions on future growth are as follows:

years 2021–2031:

- population growth in the district of around 7 per cent, or around 7,000 people
- RU growth in the district of around 8 per cent, or around 3,200 RUs
- minimal net development of GFA for commercial space – although intensity of use is expected to increase.

years 2031–2051:

- population growth in the district of around 16,700 people from 2031
- RU growth in the district of around 7,000 RUs from 2031minimal net development of GFA for commercial space – although intensity of use is expected to increase.

Table 11 shows a five-yearly breakdown of the population and household forecast.

Table 11: Five-yearly breakdown of population and household forecasts

	2013 Census	2021 (est)	2026	2031	2036	2041	2046	2051
Western Hills								
Population	10,423	10,586	10,966	11,296	11,499	11,668	11,857	12,042
Households	3,851	3,992	4,164	4,338	4,451	4,542	4,626	4,711
Wainuiomata								
Population	17,787	19,198	19,842	21,077	22,761	24,403	26,080	27,759
Households	6,331	6,801	7,067	7,544	8,147	8,743	9,343	9,943
Eastbourne								
Population	4,803	4,809	4,765	4,734	4,738	4,758	4,784	4,810
Households	2,017	2,041	2,067	2,082	2,097	2,112	2,127	2,142
Stokes Valley								
Population	9,805	10,245	10,861	11,189	11,284	11,356	11,473	11,589
Households	3,573	3,729	3,961	4,085	4,144	4,198	4,258	4,318
Valley Floor								
Population	58,378	61,509	63,308	64,977	66,870	69,083	7,1412	7,3742
Households	22,775	23,759	24,665	25,490	26,403	27,422	2,8437	2,9453
Hutt City Total								
Population	101,196	106,347	109,742	113,273	117,152	121,268	125,606	129,942
Households	38,547	40,322	41,924	43,539	45,242	47,017	48,792	50,567

Best available knowledge

Development contributions are based on projects and programmes previously undertaken, future works proposed in Council's 10-year plan and/or asset management plans, and projected estimates of future growth. These are all based on the best available knowledge at the time of preparation. As better information becomes available the policy will be updated, generally through the Annual Plan process.

Capacity lives

The capacity lives for projects and programme within the policy are approximated to the closet decade that they provide for growth, being 10 years, 20 years or 30 years. Projects that do not provide capacity for development within the period 2021–2031 are not included in this policy.

Cost of Infrastructure

Future capital expenditure costs used in this policy are based on the forecast costs in the 10-year plan and/or Hutt City Council and Wellington Water Asset Management Plans. Past project costs (see Schedule 1) are derived from annual reports and will be updated at least every three years.

Interest costs are added to the above to account of the costs of borrowing (see Funding model section below) and third-party funding is deducted (such as Waka Kotahi NZ Transport Agency subsidies).

As better information becomes available, Council will update the policy.

Key risks

There are two key risks associated with administering development contributions:

- that the growth predictions do not eventuate, resulting in a change to the assumed rate of development. In that event, Council will continue to monitor the rate of growth and will update assumptions in the growth and funding predictions, as required
- that the time lag between expenditure incurred by Council and development contributions received from those undertaking developments is different from that assumed in the funding model, so that the costs of capital are greater than expected. This would result in an increase in debt servicing costs. To guard against that occurrence, Council will continue to monitor the rate of growth, and will update assumptions in the growth and funding models, as required.

Service assumptions

Council assumes that methods of service delivery, and levels of service, will remain substantially unchanged and in accordance with Council's Long Term Plan and asset management plans.

Funding model

Council has developed a funding model to calculate development contribution charges under the policy. The model accounts for the activities for which contributions are sought, the assets and programmes related to growth, forecast growth and associated revenue. The funding model embodies several important assumptions, including that:

- all capital expenditure estimates are inflation adjusted and GST exclusive
- the level of service/backlog and renewal portions of each asset or programme will not be funded by development contributions. See the Cost allocation section below
- the growth costs associated with an asset are spread over the capacity life of the asset, and any debt incurred in relation to that asset will be fully repaid by the end of that capacity life
- interest expenses incurred on debt accrued will be recovered via development contributions and shared equally over the capacity life of each asset.

Cost allocation

Council must consider how to allocate the cost of each asset or programme between three principal drivers – growth, level of service /backlog and renewal. Council's general approach to cost allocation is summarised as follows:

- where a project provides for and benefits only growth, 100 per cent of a project's cost is attributed to growth. To qualify for this, there would have to be no renewal element (see below) or material level of service benefit or capacity provided for existing residents and businesses.
- where a project involves renewal of existing capacity, the value of a stand-alone renewal component is generally determined separately for significant individual identified works. For smaller projects or ongoing programmes, a proportion of the works is attributed to growth in line with future beneficiary split (see below).
- if a project provides for growth and level of service, after deducting any share of costs attributable to renewal, Council will split the cost between growth and level of service based on a future beneficiary split approach. Under this approach, the cost attributed to:

  * level of service will be based on the proportion that the existing community (in EHUs) will make up of the future community (in EHUs)

  * growth will be based on the proportion that the growth (in EHUs) will make up of the future community (in EHUs).

The approach uses easily available information but generally provides a conservative (low) estimate of the portion of a project's cost attributable to growth compared to other possible approaches.

For particularly large and expensive projects, Council may undertake a specific cost-apportionment assessment that differs from the general approach outlined above if better information is available: for example, using identified capacity share as the basis for cost allocation.

Calculating the development contribution charges

This section outlines how Council calculated the development contribution charges in accordance with section 203 and schedule 13 of the LGA.

Process

Table 12 summarises the steps Council took to determine growth, growth projects and cost allocations, and to calculate the development contributions charges.

Summary of calculations

Schedule 1 provides information on each asset or programme and summarises the calculation of the development contribution charge for each activity/catchment.

Table 12: Summary of development contribution charge calculation methodology

Step	Description/comment	Example (cost exclusive of GST)
1. Forecast growth	Council estimates potential land supply and likely take-up of that land. The estimates help provide household and business growth forecasts for up to 30 years. See the Projecting growth section above for further information.	Wainuiomata is forecast to grow by over 3,000 homes over 30 years.
2. Identify projects required to facilitate growth	Council identifies and develops the works programme needed to facilitate growth. In some cases, Council may have already undertaken the work. The programme in the policy is for 30 years.	Wellington Water has identified a need for additional water storage for existing residents and growth. Wainuiomata reservoir number 3 is planned as a result. The inflation-adjusted estimated cost of the project is $59.7M.
3. Determine the cost allocation for projects	Council apportions the cost of each asset or programme between renewal, growth and level of service/backlog in accordance with the approach outlined in the Cost allocation section of this policy. Schedule 1 of the policy outlines the amount required to fund growth from development contributions for each of these assets or programmes.	Half of the capacity of the new reservoir is for an existing level of service gap, and half is for growth over 30 years. As a result, 50% of the cost of the project is attributable to growth.
4. Determine growth costs to be funded by development contributions	Council determines whether to recover all of the growth costs identified in step 3 from development contributions or whether some of the growth costs will be funded from other sources.	After considering the matters in section 101(3) of the LGA, Council has generally adopted an approach of recovering 100% of growth costs for each activity from development via development contributions. Because the Wainuiomata reservoir is a particularly expensive growth project and will significantly increase charges, the Council did consider whether to spread the growth costs of the project just within Wainuiomata or more widely, and whether it should fund some of the growth costs from rates. It has decided to retain the growth costs within the Wainuiomata catchment and retain the position that 100 per cent of growth costs are funded by development contributions.
5. Adjust for inflation and interest costs	Council adjusts the growth costs from step 4 for inflation if they are future works. It then estimates the interest cost (or interest accrued) for each project over the period it will be paid off (called capacity life).	The inflation-adjusted growth-related cost of the Wainuiomata reservoir is $29.9M, and expected interest costs are $3.7M, making a total sum of $33.6M that must be funded by development contributions.
6. Divide development contributions-funded growth costs by capacity lives	The growth costs from step 4 are divided by the estimated capacity life (defined in EHUs), to provide an EHU charge for each future and past asset and programme.	$33.6M is divided by the capacity life estimates of the reservoir (3,022 EHUs), to produce a specific charge of $11,111.
7. Sum all per asset charges	For each catchment and activity, Council adds up the per-EHU asset or programme charges, to obtain a total development contribution charge. For each activity and catchment, development contributions fund the programme on an aggregated basis.	Wainuiomata has only one catchment-specific water project being funded by development contributions. However, development in Wainuiomata is also subject to a district-wide charge for water. GST is added to these charges.

Schedule 1: Growth-related assets and development contribution calculations summary

The tables in this schedule outline capital expenditure on assets or programmes attributable to new growth in accordance with section 201A of the LGA and provide a summary of the development contribution calculations. All figures exclude GST and future costs are inflation adjusted.

Water

Asset or programme name	Description	Total cost $	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $ (exclusive of interest)	Development contributions-funded cost $ (inclusive of interest)	Already constructed	Year 1 2021/ 2022 ($)	Year 2 2022/ 2023 ($)	Year 3 2023/ 2024 ($)	Year 4 2024/ 2025 ($)	Year5 2025/ 2026 ($)	Year 6 2026/ 2027 ($)	Year 7 2027/ 2028 ($)	Year8 2028/ 2029 ($)	Year 9 2029/ 2030 ($)	Year 10 2029/ 2030 ($)	Years 11–30 2031/2032–2051/2052	Recoverable growth / capacity life (EHUs)	Development contribution charge
Valley Floor																				
Naenae reservoir	Provide 8,000m3 reservoir at current Naenae reservoir site for levels of service and growth.	28,457,907	50%	50%	14,228,954	16,112,185	-	777,600	1,333,565	1,373,635	11,780,870	13,192,237	-	-	-	-	-	-	3,455	4,663
Naenae reservoir outlet main	New main from Naenae reservoir to provide additional flow and maintain head in the network for growth.	8,235,002	100%	0%	8,235,002	11,065,611	-	-	233,907	562,183	7,438,912	-	-	-	-	-	-	-	5,492	2,015
	Total	36,692,909	61%	39%	22,463,956	27,177,796														6,678
Wainuiomata																				
Wainuiomata reservoir number 3	Provide 8,000m3 reservoir in Wainuiomata, including main and road access, for levels of service and growth.	57,914,400	50%	50%	28,957,200	32,540,443	-	-	-	-	-	-	-	-	-	948,835	975,130	55,990,434	3,022	10,768
	Total	57,914,400	50%	50%	28,957,200	32,540,443														10,768
Western Hills																				
Sweetacres reservoir number upgrade	New reservoir for levels of service and growth.	2,200,715	25%	75%	550,179	783,291	2,200,715	-	-	-	-	-	-	-	-	-	-	-	732	1,070
	Total	2,200,715	0	1	550,179	783,291														1,070
District-wide																				
Network renewals	Programme of network renewals including upsizing to provide capacity for growth.	4,853,837	6%	94%	286,376	306,685	4,853,837	-	-	-	-	-	-	-	-	-	-	-	2,874	107
Drinking water development projects – reactive	Provision to enable reticulation capacity for growth.	616,018	100%	0%	616,018	549,020	-	54,000	55,565	57,235	58,904	60,626	62,296	64,070	65,896	67,774	69,652	-	2,874	191
	Total	5,469,855	16%	84%	902,394	855,705														298

Wastewater

Asset or programme name	Description	Total cost $	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $ (exclusive of interest)	Development contributions-funded cost $ (inclusive of interest)	Already constructed	Year 1 2021/2022 ($)	Year 2 2022/2023 ($)	Year 3 2023/2024 ($)	Year 4 2024/2025 ($)	Year5 2025/2026 ($)	Year 6 2026/2027 ($)	Year 7 2027/2028 ($)	Year8 2028/2029 ($)	Year 9 2029/2030 ($)	Year 10 2029/2030 ($)	Years 11–30 2031/2032–2051/2052	Recoverable growth / capacity life (EHUs)	Development contribution charge
Valley Floor, Western Hills, Stokes Valley and Eastbourne																				
Trunk DBO asset replacement and upgrade	Programme of network renewals including upsizing to provide capacity for growth.	2,926,694	6%	94%	172,675	175,342	2,145,472	21,924	22,559	23,237	23,915	24,614	25,292	26,012	26,754	74,484	512,431	-	2,246	78
Trunk DBO network cyclic replacement	Programme of network renewals including upsizing to provide capacity for growth.	21,969,526	6%	94%	1,296,202	1,126,629	175,661	-	-	-	-	-	-	1,435,158	1,383,809	7,078,307	11,896,591	-	2,246	502
	Total	24,896,220	6%	94%	1,468,877	1,301,971														580
Wainuiomata																				
Wise Park pump station upgrade stage 1	Upgrade pump station capacity to provide increased forward flow capacity within capacity of existing rising main.	1,546,998	21%	79%	323,323	403,974	-	151,200	1,395,798	-	-	-	-	-	-	-	-	-	1,822	222
Wise Street North wastewater upgrade	Upgrades to Wise Street North wastewater networks to provide capacity for growth.	3,936,240	55%	45%	2,180,677	3,163,248	-	264,600	1,808,648	-	-	-	-	-	-	-	-	-	3,022	1,047
Wastewater storage Fraser Street and Main Road	Wastewater storage to minimise wet weather overflows.	8,568,730	9%	91%	788,323	691,667	-	-	-	-	824,661	3,819,443	3,924,626	-	-	-	-	-	628	1,101
Greenfield Wainuiomata pump station and rising main	New wastewater pump station and rising main to convey wastewater from northern greenfield area to Wellington Road Pump Station.	6,890,951	100%	0%	6,890,951	7,356,757	-	-	-	-	-	-	-	-	-	-	-	6,890,951	3,022	2,434
	Total	20,942,919	49%	51%	10,183,274	11,615,646														4,804
Districtwide																				
Sewer mains upgrade	Upgrade of sewers to improve level of service and provide for growth.	426,282	6%	94%	25,577	28,022	426,282	-	-	-	-	-	-	-	-	-	-	-	2,874	10
Network renewals	Programme of network renewals including upsizing to provide capacity for growth.	97,946,225	6%	94%	5,876,774	5,109,972	4,786,153	5,566,320	6,066,404	5,684,532	5,713,722	5,880,730	6,541,043	13,006,122	13,376,817	13,758,104	17,566,278	-	2,874	1,778
Seaview Wastewater Treatment Plant storage	Provision of 10,000m3 of additional storage capacity.	20,098,380	25%	75%	5,024,595	6,905,698	-	34,7621	6,061,000	9,002,670	4,687,089	-	-	-	-	-	-	-	9,891	698
Wastewater development projects reactive	Provision to enable reticulation capacity for growth.	924,025	100%	0%	924,025	823,545	-	81,000	83,348	85,852	88,357	90,939	93,443	96,104	98,843	101,661	104,478	-	2,874	287
	Total	119,394,912	10%	90%	11,850,970	12,867,237														2,772

Stormwater

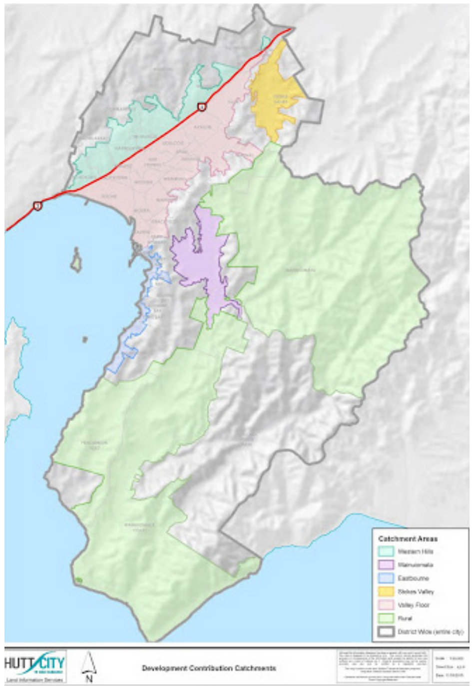
Asset or programme name	Description	Total cost $	Percentage funded by development contributions	Percentage funded from other sources	Development contributions-funded cost $ (exclusive of interest)	Development contributions-funded cost $ (inclusive of interest)	Already constructed	Year 1 2021/ 2022 ($)	Year 2 2022/ 2023 ($)	Year 3 2023/ 2024 ($)	Year 4 2024/ 2025 ($)	Year5 2025/ 2026 ($)	Year 6 2026/ 2027 ($)	Year 7 2027/ 2028 ($)	Year8 2028/ 2029 ($)	Year 9 2029/ 2030 ($)	Year 10 2029/ 2030 ($)	Years 11–30 2031/2032–2051/2052	Recoverable growth / capacity life (EHUs)	Development contribution charge
Valley Floor																				
Victoria Street / Humes Street	Stormwater management improvements.	2,161,089	12%	88%	259,331	381,145	–	1,065,108	1,095,981	–	–	–	–	–	–	–	–	–	5,492	69
Randwick Road stormwater improvement, Moera	Stormwater management improvements.	155,793	6%	94%	9,348	13,025		–	–	–	–	–	–	–	–	–	–	–	6,058	2
Queen Street, Petone	Stormwater management improvements.	1,738,597	6%	94%	104,316	145,513	1,738,597	–	–	–	–	–	–	–	–	–	–	–	6,058	24
	Total	4,055,479	9%	91%	372,994	539,683														96
Valley Floor and Eastbourne																				
Beach stormwater outlets	Improve outflow at beaches.	1,197,096	12%	88%	143,652	186,038	894,696	302,400	–	–	–	–	–	–	–	–	–	–	6,163	30
	Total	1,197,096	12%	88%	143,652	186,038														30
Valley Floor, Western Hills and Stokes Valley																				
Hutt River Floodplain (stormwater outlets to river)	Stormwater management improvements.	255,329	8%	93%	20,426	26,337	255,329	–	–	–	–	–	–	–	–	–	–	–	7,436	4
Hutt River backflow (electrical automation project)	Stormwater management improvements.	131,330	8%	93%	10,506	11,913	131,330	–	–	–	–	–	–	–	–	–	–	–	5,127	2
Hutt River stormwater flapgates/pumping to river	Stormwater management improvements.	543,358	8%	93%	43,469	55,380	543,358	–	–	–	–	–	–	–	–	–	–	–	7,436	7
	Total	930,017	8%	93%	74,401	93,631														13
Wainuiomata																				
Black Creek improvements	Management of risks associated with flooding from stormwater, channel improvements to increase capacity of the Black Creek.	4,157,868	100%	0%	4,157,868	4,784,219	–	–	–	–	–	–	–	–	–	–	–	4,157,868	3,022	1,583
	Total	4,157,868	100%	0%	4,157,868	4,784,219														1,583
Western Hills																				
Dowse Drive stormwater improvement project	Stormwater management improvements.	228,759	15%	85%	34,314	46,552	228,759	–	–	–	–	–	–	–	–	–	–	–	736	63
	Total	228,759	15%	85%	34,314	46,552														63
Eastbourne																				
Hekatara Street / Pukatea Street	Stormwater management improvements.	785,705	7%	93%	54,999	75,687	785,705	–	–	–	–	–	–	–	–	–	–	–	105	721
	Total	785,705	7%	93%	54,999	75,687														721
District-wide																				
Network renewal upgrade	Stormwater management improvements undertaken alongside renewals.	1,119,854	5%	95%	55,993	61,015	1,119,854	–	–	–	–	–	–	–	–	–	–	–	2,874	21
Stormwater development projects – reactive	Provision to enable reticulation capacity for growth.	616,018	100%	0%	616,018	549,020	–	54,000	55,565	57,235	58,904	60,626	62,296	64,070	65,896	67,774	69,652	–	2,874	191
	Total	1,735,872	39%	60%	672,011	610,035														212

Transport

Asset or programme name	Description	Total cost $	Percentage funded by development contributions[2]	Percentage funded from other sources	Development contributions-funded cost $ (exclusive of interest)	Development contributions-funded cost $ (inclusive of interest)	Already constructed	Year 1 2021/ 2022 ($)	Year 2 2022/ 2023 ($)	Year 3 2023/ 2024 ($)	Year 4 2024/ 2025 ($)	Year5 2025/ 2026 ($)	Year 6 2026/ 2027 ($)	Year 7 2027/ 2028 ($)	Year8 2028/ 2029 ($)	Year 9 2029/ 2030 ($)	Year 10 2029/ 2030 ($)	Years 11–30 2031/2032–2051/2052	Recoverable growth / capacity life (EHUs)	Development contribution charge
District-wide																				
Cycleways / shared paths	Development of cycleways and shared paths city-wide.	5,994,928	1%	99%	59,949	54,290	-	520,000	535,072	551,150	575,476	592,297	608,608	625,938	643,779	662,129	680,479	-	2,874	19
Cycling connections	Development of strategic cycling spine.	10,038,889	3%	97%	311,206	438,171	-	3,250,000	3,344,203	3,444,686	-	-	-	-	-	-	-	-	9,891	44
Local area traffic management	City-wide traffic improvements.	1,152,868	1%	99%	11,529	10,433	-	100,000	102,899	105,990	110,668	113,903	117,040	120,372	123,803	127,332	130,861	-	2,874	4
Pedestrian crossings new	City-wide safety improvements.	662,875	1%	99%	6,629	6,007	-	57,498	59,165	60,942	63,632	65,492	67,295	69,212	71,184	73,213	75,242	-	2,874	2
Traffic safety improvements	City-wide safety improvements.	7,967,908	1%	99%	79,679	71,850	-	200,000	643,116	794,928	830,014	854,274	877,800	902,796	928,527	954,993	981,460	-	2,874	25
Wise Street extension (urban growth strategy)	Extend Wise Street to access new growth areas.	1,200,000	100%	0%	1,200,000	1,743,388	-	1,200,000	-	-	-	-	-	-	-	-	-	-	9,891	176
Minor safety works	City-wide safety improvements.	536,967	1%	99%	5,370	4,828	-	-	52,478	54,055	56,441	58,091	59,691	61,391	63,140	64,940	66,740	-	2,874	2
Cross Valley Transport Connections	Development of improved East-West connections on Valley Floor, including intersection and roading improvement, a new route between State Highway 1 and the Eastern Valley floor and public transport improvements.	198,267,150	8%	92%	16,059,639	18,788,251	-	-	-	10,917,005	9,053,816	5,838,068	3,691,594	8,898,551	30,202,174	41,731,159	54,818,841	33,115,942	9,891	1,900
	Total	225,821,585	8%	92%	17,734,000	21,117,218														2,171

Part 3: Catchment Map

This map outlines the boundaries of the catchments within which development contributions will apply.



2 Assumes Waka Kotahi subsidies of 51% are available for most of the programme, including the growth component. Consequently, the percentage of costs recovered from development contribution is generally only 49% of the costs attributable to growth except where indicated (*).

Rates Remission Policy

Rates remission policy

Introduction

In order to allow rates relief where it is considered fair and reasonable to do so, Council is required to adopt policies specifying the circumstances under which rates will be considered for remission. There are various types of remission, and the circumstances under which a remission will be considered for each type may be different. The conditions and criteria relating to each type of remission are therefore set out separately in the following pages, together with the objectives of the policy.

This policy is prepared under section 109 of the Local Government Act 2002 for consultation using the special consultative procedure laid down in section 83 of that Act.

Part 1 – Remission for community, sporting and other organisations

Objectives of the policy

To facilitate the ongoing provision of non-commercial community services that meet the needs of the residents of the city.

To facilitate the ongoing provision of non-commercial recreational opportunities for the residents of the city.

To assist the organisations' survival.

To make membership of the organisations more accessible to the general public; particularly disadvantaged groups. These include children, youth, young families, aged people and economically disadvantaged people.

Conditions and criteria

Council may remit rates where the application meets the following criteria:

- the policy will apply to land owned by Council or owned and occupied by a charitable organisation, which is used exclusively or principally for sporting, recreation or community purposes.
- the policy does not apply to organisations operated for private pecuniary profit.
- the policy will also not apply to groups or organisations whose primary purpose is to address the needs of adult members (over 18 years) for entertainment or social interaction, or who engage in recreational, sporting or community services as a secondary purpose only.

Applications for remission must be made in writing to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.
Organisations making application should include the following documents in support of their application:

- statement of objectives
- financial accounts
- information on activities and programmes
- details of membership or clients
- any remission granted in relation to the general rate under this policy will be 50 per cent of the amount charged
- qualifying organisations rated in the Community Facilities differential 1 (CF1) and 2 (CF2) categories will be eligible for rates remission under this policy
- the policy shall apply to such organisations as are approved by Council as meeting the relevant criteria.
- no remission will be granted on targeted rates for water supply under this policy
- remission of targeted rates for wastewater disposal under this policy will only be granted as follows, to the types of organisations specified:
  - places of religious worship will be charged for a maximum of two pans, except in circumstances where it is evident that there is regular weekday use of the building for non-worship purposes
  - child care facilities will be charged for a maximum of two pans
  - sports clubs will be charged for a maximum of two pans
  - no more than 200 pans are to be charged on any one property
  - mārae and other similar meeting places are to be charged for a maximum of two pans.

Delegations

Council may delegate the authority to make such approvals to particular Council officers as specified by a resolution of Council.

Part 2 – Remission of penalties added to unpaid rates

Objective of the policy

To enable Council to act fairly and reasonably in its consideration of penalties on rates which have not been paid by the due date.

Conditions and criteria

Upon receipt of an application from the ratepayer, or if identified by Council, Council may remit a penalty where it considers that it is fair and equitable to do so. Matters that will be taken into consideration by Council include the following:

- the ratepayer's payment history
- the impact on the ratepayer of extraordinary events
- the payment of the full amount of rates due
- the ratepayer entering into an agreement with Council for the payment of rates.

Council reserves the right to impose conditions on the remission of penalties.

Delegations

Decisions on the remission of penalties may be delegated to Council officers or a Committee of Council. All delegations will be recorded in Council's delegations register.

Part 3 – Remission of targeted rates in certain circumstances

Objective of the policy

The objective of this remission is to promote fairness in the application of rating by allowing the Council to remit targeted rates assessed as fixed charges in circumstances where it is equitable to do so.

Conditions and criteria

A remission may be granted of all or part of a targeted rate set as a fixed charge per separately used or inhabited part (SUIP) where the application meets one of the following criteria:

- rating units used for residential purposes in separate ownership and contiguous (ie, sharing a boundary and in common usage, as that they should reasonably be treated as a single unit). This includes but is not limited to situations where the secondary unit is used solely as a private garden or for vehicle parking
- rating units used for residential purposes and that include a separately used or inhabited part occupied by a dependent member of the family of the owner
- for land classified as residential or rural under the council's operative district plan, targeted rates for refuse and recycling may be remitted where the service is not provided to the rating unit
- rating units or an SUIP with a dwelling that has been damaged by fire and as a result is uninhabitable.

Owners wishing to claim a remission under this policy are required to make a written application and to supply such evidence as may be requested to verify that a remission should be granted under this policy. While a remission may be granted for the current year, no consideration will be given to applications relating to prior years.

Delegations

Council will delegate authority to consider and approve applications to Council officers.

Part 4 – Remission on land protected for natural, historic or cultural conservation purposes

Objective of the policy

To protect and promote significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites.

This policy will support the provisions of the District Plan where a number of these features have been identified.

Conditions and criteria

Ratepayers who own rating units that include significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites, including those identified in the District Plan, and who have voluntarily protected these features, may qualify for remission of rates under this part of the policy.

Land that is non-rateable under section 8 of the Local Government (Rating) Act 2002 and is liable only for rates for water supply, wastewater disposal or refuse collection will not qualify for remission under this part of the policy.

Applications must be made in writing. Applications should be supported by documentary evidence of the protected status of the rating unit; eg, a copy of the covenant or other legal mechanism.

In considering any application for remission of rates under this part of the policy, Council will consider the following criteria:

- The extent to which the protection and promotion of significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites will be promoted by granting remission of rates on the rating unit
- The degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites are present on the land
- The degree to which the significant natural areas, culturally significant sites, historic buildings, structures and places, and archaeological sites inhibit the economic utilisation of the land.

In granting remissions under this part of the policy, Council may specify certain conditions before granting remission. Applicants will be required to agree in writing to these conditions and to pay any remitted rates if the conditions are violated.

Council will decide what amount of rates will be remitted on a case-by-case basis, subject to a maximum amount of 50 per cent of rates owing per year.

Applications for the remission of rates for protection of heritage will be considered by a Committee of Council, acting under delegated authority from Council.

Part 5 – Rates remission and grants for economic development

Objectives of the policy

To promote employment and economic development within the city of Lower Hutt by offering rates remission and economic development grants to:

- encourage new businesses to become established in or relocate to the city
- encourage existing businesses in the city to expand and grow.

This policy is one of a number of initiatives for businesses that Council has in place to assist in achieving the outcomes set out in its Economic Development Plan 2015–2020.

Rates remission for economic development

Conditions and criteria

This part of the policy applies to commercial and/or industrial developments that involve the construction, erection or alteration of any building or buildings, or other works intended to be used for industrial, commercial or administrative purposes. Residential developments will not qualify for remission under this part of the policy.

For an application for rates remission for economic development to be considered, applicants must meet all the criteria in either 5.3 or 5.4 (below).

Each application made under Part 5 of this policy will be considered on a case-by-case basis. Satisfaction of the criteria outlined in this policy does not guarantee a remission of rates. The final decision to grant a remission of rates will be at Council's sole discretion.

General criteria

The development must be of strategic importance for the future economic development of the city. This may be demonstrated by the scale, type or nature of the development.

The development will create new employment opportunities. Generally a development targeted at a new business to the city would be expected to immediately create at least 50 new full-time-equivalent jobs in Lower Hutt, and developments that target an existing business would be expected to immediately increase its full-time equivalent staff numbers by:

over 50 per cent of existing full-time equivalent jobs; or at least 50 new full-time equivalent jobs, whichever is the lesser.

The development is unlikely to be in competition with existing businesses. Generally the applicant will be required to demonstrate that the development will create little or no competition with existing businesses, or that there is unfulfilled demand in the market for the type of business that will be targeted.

The development will bring a significant amount of new capital investment into the city. The amount of new investment should be not less than $2,500,000 unless the business falls within the category identified in 2 below. Consideration will be given to the extent that the new development would increase the rating base.

Criteria regarding innovative or rare types of business for Lower Hutt using advanced science and/or advanced technology

Developments that attract new or grow existing innovative or rare types of business for Lower Hutt using advanced science and/or advanced technology are likely to be more favourably considered for remission. Where this type of business does not initially meet the criteria for employment creation or new capital investment as outlined above:

- The development must be of strategic importance for the future economic development of the city. This will be demonstrated by the advanced science and/or advanced technology nature of the development.
- The development is unlikely to be in competition with existing businesses. Generally the applicant will be required to demonstrate that the development will create little or no competition with existing businesses, or that there is unfulfilled demand in the market for the type of business that will be targeted.
- The applicant must demonstrate, through recognised research and development programmes; and/or through ownership or access to recognised intellectual property rights, that it has a realistic future potential to meet the criteria for employment creation and new capital investment, as outlined above, within three years.

To further assist in considering applications for remission under this part of the policy, Council will also have regard to the extent applications meet all or some of the additional guidelines outlined in 5.7.

Grants for economic development

Conditions and criteria

This part of the policy applies to the establishment or relocation of commercial and/or industrial businesses new to Lower Hutt and the expansion of existing commercial and/or industrial businesses in Lower Hutt that does not involve the construction, erection or major alteration of any building or buildings intended to be used for industrial, commercial or administrative purposes.

Residential activity will not qualify for grants under this part of the policy.

For an application for economic development grants to be considered, applicants must meet all the criteria in 5.6.

Each application will be considered on a case-by-case basis. Satisfaction of the criteria outlined in 5.6 of this Policy does not guarantee an economic development grant. The final decision to approve an economic development grant will be at Council's sole discretion.

General criteria

The business must be of strategic importance for the future economic development of the city. This may be demonstrated by the scale, type or nature of the business.

The business will create new employment opportunities. Generally a new business to the city would be expected to immediately create at least 50 new full-time-equivalent jobs in Lower Hutt. Existing business would be expected to immediately increase its full-time equivalent staff numbers by at least 50 new full-time equivalent jobs.

The business is unlikely to be in direct competition with existing businesses. Generally the applicant will be required to demonstrate that the business will create little or no competition with existing businesses.

The business demonstrates a long-term commitment to remain and operate in the city. Property ownership or a long-term lease of property (a minimum of six years) may be accepted as a proof of commitment.

To further assist in considering applications for economic development grants under this part of the policy, Council will also have regard to the extent applications meet all or some of the additional guidelines outlined in 5.7.

Additional guidelines

These additional guidelines have been developed to assist in assessing the suitability of an application for an economic development grant and in determining at what level, if any, an economic development grant should be set. Only when an application has been shown to meet the mandatory criteria outlined in 5.6 will the additional guidelines in 5.7 be applied (as applicable).

As additional considerations in considering an application for rates remission, Council will have regard to:

- the extent that the new or expanded business would increase economic activity in the city
- whether the business has minimal impact on the environment in terms of air, water or soil
- whether it is likely that any grant provided would encourage the business to proceed with establishment, relocation or expansion in the city.

Application process

Applications must be made in writing and received allowing sufficient time to be able to consider them prior to the commencement of construction or relocation or expansion of the business.

Commencement of construction will be deemed to have occurred when the activity for which a building consent has been issued is substantially under way and progressing.

Establishment, relocation or expansion of the business will be deemed to have occurred once occupancy of the business personnel has occurred.

For the purposes of this policy, a development is any project or group of projects requiring one or more building consents that, as a body of work, occurs within a similar timeframe, and that stands alone as a complete activity in and of itself.

This policy does not exclude the potential for more than one development to occur on the same site. Applications must be supported by:

- a description of the development or business
- a plan of the development or business premises (where possible)
- an estimate of costs of the development (for rates remission applications only)
- an indication of the businesses that will be attracted by the development
- an estimate of the likely number and type of jobs created by the development or business
- evidence that the jobs (positions) created are new to Lower Hutt
- an environmental impact report (if applicable)
- evidence of ownership or access to intellectual property rights (if applicable)
- evidence of future commercial potential of use of that intellectual property (if applicable).

Where the applicant is not the owner or the ratepayer of the property, the applicant must provide written proof of support from the property owner. If the applicant is a lessee then the lease expiry date should be stated, as well as any rights of renewal etc.

In considering applications, Council may seek independent verification of any information provided on an application.

Each application will be considered on a case-by-case basis. Satisfaction of the criteria outlined in 5.3, 5.4 and 5.6 does not guarantee a remission of rates or economic development grant. The final decision to approve a remission of rates or an economic development grant will be at Council's sole discretion.

Remissions of rates approved will generally be not less than 50 per cent, and may be up to a maximum of 100 percent, of the rates assessed by Council on the capital value of the new investment only, and for up to a maximum remission period of three years. Rates to be paid to Greater Wellington Regional Council cannot be remitted under this policy.

Economic development grants approved will generally be for not less than 50 per cent, and may be up to a maximum of 100 per cent, of the equivalent value of the rates assessed by Council on the capital value of the premises occupied by the business, and for up to a maximum remission period of three years.

In approving rates remissions or economic development grants under this policy, Council may in its discretion specify certain conditions before granting the rates remission or economic development grant, having regard to the criteria and the application process specified in this policy. Applicants will be required to agree in writing to these conditions and to pay any remitted rates or economic development grants provided if the conditions are violated.

Delegations

Applications for remission of rates and economic development grants for economic development will be decided by the Policy, Finance and Strategy Committee, acting under delegated authority from Council.

Appeal

Applicants may appeal against:

- a decision to decline a remission of rates or not approve a full remission of rates; or not approve an economic development grant;
- conditions imposed when a remission of rates or economic development grant has been approved.
- appeals will be heard by the Policy, Finance and Strategy Committee of Council.

Exclusions

This policy does not apply to Council developments.

Part 6 – Remission for residential land in commercial or in industrial areas

Objective of the policy

To ensure that owners of residential rating units situated in commercial or industrial areas are not unduly penalised by the zoning decisions of this Council and previous local authorities.

Conditions and criteria

To qualify for remission under this part of the policy the rating unit must:

- be situated within an area of land that has been zoned for commercial or industrial use. Ratepayers can determine the zoning of their property by inspecting the District Plan, copies of which are available at Council offices
- be listed as a 'residential' property for differential rating purposes. Ratepayers wishing to ascertain whether their property is treated as a residential property may inspect Council's rating information database at Council offices.

Those ratepayers wishing to claim remission under this part of the policy must make an application on the prescribed form (available from Council offices).

The application for rates remission must be made to Council prior to the commencement of the rating year. Applications received during a rating year will be applicable from the commencement of the following rating year. Applications will not be backdated.

If an application is approved, Council will direct its valuation service provider to inspect the rating unit and prepare a valuation that will treat the rating unit as if it were a comparable rating unit elsewhere in the district. The ratepayer may be asked to contribute to the cost of this valuation. Ratepayers should note that the valuation service provider's decision is final and there are no statutory rights of objection or appeal for values done in this way.

The amount of remission granted under this part of the policy will be limited to the difference between the rates charged on the original value and the rates chargeable on the valuation of the rating unit as a house in a residential area.

Delegations

Applications for remission under this part of the policy will be determined by officers of Council, acting under delegated authority from Council as specified in the delegations register.

Part 7 – Remission of wastewater charges to schools

Objective of the policy

To provide relief and assistance to educational establishments as defined in Schedule 1 Part 1 clause 6 of the Local Government (Rating) Act 2002 in paying charges for wastewater services.

Conditions and criteria

This part of the policy will apply only to educational establishments as defined in Schedule 1 Part 1 clause 6 of the Local Government (Rating) Act 2002.

The policy does not apply to any school house, or any part of a school used for residential purposes.

The wastewater charge to any educational establishment in any one year will be the lesser of either:

1. The amount of the targeted rate for wastewater, calculated based on the actual number of toilet pans in the establishment; or
2. The amount of the targeted rate for wastewater calculated based on a notional number of toilet pans in the establishment, determined according to the following formula:

    Based on the establishment's water consumption for the previous financial year, each 200m³ of water used, or part thereof, shall count as one toilet pan.

Where the charge made is based on the notional number of toilet pans, the amount of the remission allowed will amount to the difference between the calculations set out in a and b above.

Part 8 – Remission of rates and charges on land affected by natural calamity

Objective of the policy

To provide relief and assistance to any ratepayer where the use that may be made of any rating unit has been detrimentally affected by erosion, subsidence, submersion or other natural calamity.

Conditions and criteria

This part of the policy will apply to any rating unit affected by natural calamity.

In the case of residential rating units, up to 100 per cent of all rates and charges, including charges made for water and wastewater services and refuse, recycling and green waste services, may be remitted for the period during which the buildings are uninhabitable.

In the case of all other rating units, up to 100 per cent of all rates and charges, including charges made for water and wastewater services, may be remitted for the period during which the rating unit is unable to be fully utilised, or utilised to the same extent as it was prior to the occurrence of the natural calamity.

Applications are required to be made in writing by the ratepayer.

Applications will generally only be considered for assistance where the rating unit is uninhabitable or unusable for a period exceeding one month.

The application must describe the nature of the natural calamity, and outline the steps that the owner has taken, or will be taking, to return the rating unit to a usable state, and provide an estimate of the time the rating unit is expected to be affected.

The amount of remission granted in any individual case will be determined based on the severity of the damage to the rating unit, as well as the individual circumstances of the ratepayer and the financial circumstances of Council.

Applicants for a remission under this part of the policy will also be deemed eligible to be considered for a postponement of rates under the Rates Postponement Policy. Assistance granted may therefore be in the form of either a postponement or a remission of rates, or a combination of both; whichever is most appropriate in the individual circumstances.

Any rates postponed on rating units affected by natural calamity may at a later date be considered for a remission under this policy, when the full extent and duration of the event has become more clearly defined.

All applications must be made in writing by the ratepayer within three months of the event.

Delegations

Applications for remission under this part of the policy will be decided by a committee of Council, acting under delegated authority.

Part 9 – Remission of rates – transition

Rural to residential

Objective of the policy

A rates remission may be granted to phase in the increase to the Hutt City Council General Rate payable due to a rating unit moving from the Rural to the Residential differential rating category.

Conditions and criteria

This policy applies to a rating unit where there is an increase in the Hutt City Council General rate due to the differential rating category of the rating unit changing from Rural to Residential as the result of the 10-year plan rating policy change to align the definition of the Rural differential rating category with the District Plan.

This policy will also apply to any rating unit where there is an increase in the General rate due to a District Plan change that results in the differential rating category reclassification of that rating unit changing from Rural to Residential.

If granted, this remission will last for one rating year, and will be calculated as follows:

- Rating value * 21/22 Residential differential rate in the dollar (x)
- Rating value * 21/22 Rural differential rate in the dollar (y)
- (x) – (y) / 2 = remission

Part 10 – Remission of rates – transition

Commercial accomodation to commercial central

Objective

A rates remission may be granted to phase in the increase to the Hutt City Council General Rate payable due to a rating unit moving from the Commercial Accommodation to the Commercial Central rating category.

Conditions and criteria

This policy applies to a rating unit where there is an increase in the Hutt City Council General rate due to the differential rating category of the rating unit changing from Commercial Accommodation to Commercial Central as the result of the 2021–2031 Long Term Plan rating policy change to remove the Commercial Accommodation differential rating category.

If granted, this remission will last for one rating year, and will be calculated as follows:

- Rating value * 21/22 Commercial Central differential rate in the dollar (x)
- Rating value * 20/21 Commercial Accommodation differential rate in the dollar (y)
- (x) – (y) / 2 = remission.

Section Five

Ngā ringaringa me ngā waewae o Te Kaunihera

Council controlled organisations

5

Council controlled organisations and associates

Seaview Marina Limited

Objectives:

Council's objective for Seaview Marina Ltd (SML) is for it to own and operate Seaview Marina.

Nature and scope of its activities:

Council expects SML to own and operate Seaview Marina as a facility for the enjoyment of the Te Awa Kairangi Lower Hutt community and in particular to support charitable non-profit ventures with a marine focus without compromising its commercial objectives and environmental responsibilities.

Key performance indicators (SML):

Key performance indicator	2021/22	2022/23	2023/24
Financial			
Deliver annual budgeted incomes for each of the four business entities: • boat storage • hardstand • marine centre • launching ramp	Achieve 100% of budgeted incomes	Achieve 100% of budgeted incomes	Achieve 100% of budgeted incomes
Control operational expenses	Operational expenses within budget	Operational expenses within budget	Operational expenses within budget
Achieve prescribed rate of return on equity	4.1%	4.8%	3.4%
Manage capital expenditure	Complete within capital budget and on time	Complete within capital budget and on time	Complete within capital budget and on time
Relationship and communication			
Client service	88% satisfaction in the bi-annual survey	88% satisfaction for the exit/entry survey	88% satisfaction in the bi-annual survey
Newsletter communications	Complete four newsletters per annum	Complete four newsletters per annum	Complete four newsletters per annum
Risk management and human resources			
Notifiable health and safety incidents	None	None	None
Business continuity plan	Run one test scenario and review	Run one test scenario and review	Run one test scenario and review
Staff satisfaction	Achieve 85% staff satisfaction	Achieve 85% staff satisfaction	Achieve 85% staff satisfaction
Marketing			
Implement marketing strategy to improve occupancy rates (additional berth development initially impacts negatively on berth occupancy rates)	Berth occupancy equal to or greater than 95%	Berth occupancy equal to or greater than 95%	Berth occupancy equal to or greater than 95%
Media and public relations	Six media releases or public relations exercises per year	25 enquiries per month from website	30 enquiries per month from website
Non-financial			
Provide financial or non- financial support to at least three charitable (non-profit) ventures with a marine focus during any given financial year.	Support at least three organisations	Support at least three organisations	Support at least three organisations

Urban Plus Limited

The Urban Plus Group comprises Urban Plus Ltd (UPL), UPL Developments Ltd and UPL Ltd Partnership.

Objectives:

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 from Council for development.

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 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.

At its 2017/18 flagship medium-density development project in Fairfield, UPL released two-bedroom townhouses with a price below $400,000; this was almost one-third of the available product at that development. More recently at its 'The Lane, Waterloo' and 'Central Park on Copeland' developments, UPL released townhouses starting at the $535,000 and $550,000 levels respectively specifically aimed at first-home buyers to enable them to get onto the property ladder. UPL also introduced opportunities for reduced deposits with appropriate controls, again to make home ownership a reality for first-home buyers actively seeking long-term housing ownership.

UPL's primary focus has been on delivering social housing for low-income elderly and releasing affordable and market housing for sale. Council's 2020 letter of expectation sought from UPL the delivery of wider housing outcomes and benefits. What this included is set out below.

Key priorities and expectations

1. Provide for wider housing need

Develop a framework to enable the development of social housing and housing for a range of households, in addition to those who qualify as 'low-income elderly'. Work with Council to review and identify parcels of land to enable further growth and assist Council with knowledge, experience and expertise to invigorate growth and development.

2. Build more housing partnerships

Develop relationships with key community organisations and Crown agencies to assist with achieving housing outcomes.

3. Build pathways to permanency

Develop a framework to deliver opportunities for individuals and whānau/families, and assist them to transition to housing permanency.

4. Implement HomeStar6 rating and environmental standards

Align with Council's zero carbon objective by incorporating features into its dwelling design and development site layouts that lower carbon emissions. Incorporate design and environmental considerations into future projects that align with the Homestar rating assessment to achieve no less than six stars in future housing development projects.

5. Achieve wider outcomes

Development of a considerable number of new homes throughout Lower Hutt. Support local employment and training, and partner with tertiary providers and the construction industry. Explore opportunities that support and enable tertiary education providers to increase off-site construction.

6. Deliver on Plan Change 43

Seek housing opportunities around suburban shopping centres and transport hubs afforded by Plan Change 43 and be an exemplar of the well-designed developments Council envisaged in the Medium Density Design Guide that accompanied the plan change.

7. Promote Māori outcomes

Improve outcomes for Māori and work with Mana Whenua partners to shape housing outcomes for the future.

8. Support Central Government initiatives

Support central government initiatives where they are financially, socially and environmentally prudent and to the overall benefit of Lower Hutt. Work with social or community providers that promote the growth of housing.

9. Provision of accommodation

UPL is charged with the ongoing provision of housing to the low-income elderly.

Impacts of priorities and expectations

Under these priorities and expectations, UPL will provide more rental, affordable and commercially focused housing as well as social housing for low-income elderly, families and individuals. UPL and Council will work together to review and identify parcels of land to help address the housing shortage in Lower Hutt. The primary focus of this priority is to make more homes available and accessible to a wider range of the community.

In delivering on wider housing outcomes, UPL will develop partnerships with Mana Whenua, community housing providers (CHPs) and government organisations to enable and deliver on opportunities for individuals and families/whānau to transition into housing permanency. To deliver these wider outcomes, UPL will act as the developer and on-sell completed housing developments to these entities. This strategy will then be repeated time and again so that UPL does not retain all of its developments. Rather, it will divest to other entities that will own and manage the developments independent of UPL. This cyclical process is key to UPL's ability to continually supply more housing outcomes for a wider range of providers, owners and end users.

Pathways to housing permanency could include affordable and permanent 'rent for life' homes (with social supports as required), all the way through to home ownership. In addition, UPL will investigate, and where appropriate deliver, initiatives such as shared equity, rent to buy, reduced deposit schemes and other means of assisting households into home ownership. We anticipate that such initiatives can be aligned via partnerships with Crown agencies, CHPs and Mana Whenua.

Council's commitment to meeting its carbon zero objectives will also extend to UPL. UPL has incorporated, and will continue to incorporate, features into its dwelling design and development site layouts that lower carbon emissions. Examples include using electricity or renewable sources of energy for space and water heating, minimising building waste and making buildings ready for charging electric vehicles.

UPL will incorporate design and environmental considerations into future projects, and align these with the Homestar rating assessment to achieve no less than six stars in future housing development projects. Alongside environmental considerations, UPL will take a leadership role in delivering medium-density housing according to the objectives and outcomes envisaged by Plan Change 43 (where Plan Change 43 applies to a development site).

Part of UPL's strategic plan is to acquire land which enables larger scale developments that complement the shareholder's growth aspirations for the city. Scale provides for design and economic efficiencies to be achieved. It also promotes opportunities for a wider range of housing types and density options, therefore increasing housing supply. Scale enables a wider mix of housing outcomes and ownership structures, such as shared equity and rent-to-buy models to be explored.

Financial impact of priorities and expectations

The Council invests in UPL in order to achieve these important outcomes for the city. To date, this investment has been by way of loan facilities to UPL to the value of $22M. A commercial interest rate is charged to UPL in line with legislative requirements.

To progress the larger proposed work programme over the life of the 10-year plan, UPL sought additional loan funding lines of approximately $21M. This funding is not required immediately but rather over the next few years, as development activity picks up, with a peak expected in 2023 of $43M.

Following this peak, profit margins on several developments are expected to be realised, which will positively impact UPL's cash position, allowing borrowings to reduce. Once this has occurred, borrowing requirements are not expected to reach the same level for the remainder of the Long Term Plan period.

UPL does not use ratepayer funding for its operations. UPL's developments are cyclical in nature and therefore require separate short-term lending per development project whereby loans are repaid at the end of each project. Cyclical project programming and borrowing is fundamental to successfully delivering the company's objectives.

Key performance indicators

Rental housing

1.1 Capital expenditure within budget.
1.2 Operational expenditure within budget.
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 per cent.
1.4 Tenant satisfaction with the provision of the company's rental housing greater than or equal to 90 per cent.
1.5 Percentage of total housing units occupied by low-income elderly[1] greater than or equal to 85 per cent.
1.6 Rentals charged shall no more than 80 per cent of 'market' rent.
1.7 Portfolio size increased to 220 units by December 2023.
1.8 All rental housing units in the portfolio to have a HomeFit certificate 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 converted to utilise only electricity or renewable sources of energy within five years of acquisition.
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.

Property Development

1.11 Capital expenditure within budget.
1.12 Operational expenditure within budget.
1.13 From 1 July 2019, any new developments not already resource consented as at 30 June 2019, shall only utilise electricity or renewable sources of energy for space heating, water heating and cooking facilities.
1.14 From 1 July 2021, all new housing units (stand-alone house or townhouse) shall achieve a certified Homestar design rating of at least six stars.
1.15 A pre-tax return of not less than 20 per cent on development costs including contingency on each commercial development project (except where the Board and Shareholder agree otherwise to achieve specified objectives).
1.16 A return of not less than 15 per cent on development costs including contingency on housing released to market as 'affordable' (except where the Board and Shareholder agree otherwise to achieve specified objectives).
1.17 Value of divestment to CHPs (or socially like-minded organisations) set at each project's development cost (including contingency and GST) plus a margin of no less than 10 per cent (except where the Board and Shareholder agree otherwise to achieve specified objectives).
1.18 Long-term public rental accommodation pre-tax returns at no less than (or equal to) 3.5 per cent after depreciation.*

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

Professional property advice

1.19 A market return on additional services provided to the shareholder achieved.

Hutt City Community Facilities Trust

The Trust and the Council have made the decisions for the Trust to be wound up on 30 June 2021 and for Council to take over responsibility and ownership of the facilities owned by the Trust. All venues will continue to operate as they currently are into the future under the change in ownership.

Council established the Trust in 2012 with the intention of increasing community involvement in the provision of sporting and other community facilities. As a charitable trust, it was able to facilitate external fundraising for planned infrastructure projects, and Trustees were all members of the local community.

Since its inception, the Trust has successfully developed four community hubs – Walter Nash Centre, Koraunui Stokes Valley Community Hub, Naenae Bowling Club and RICOH Sports Centre (home of Fraser Park Sportsville), which are all well used and highly valued in their communities. Walter Nash Centre and Koraunui Stokes Valley Community Hub are both leased back to Council, while the other facilities are leased to community tenants. Total assets owned by the Trust as at 30 June 2020 amounted to $41M.

With the exception of the replacement of Naenae Pool, Council isn't planning any further significant investment in community facilities in the near future, and so we've been working with the Trust to consider its future role. While the main function of the Trust is no longer required, it could continue to operate as landlord. However, this brings with it significant cost for corporate support and some duplication of effort with Council and compliance costs. Council and the Trustees agree the most efficient way to operate the facilities in the future is to transfer them to the Council to operate and maintain for the benefit of the community.

The decisions to wind up the Trust has been made following consultation as part of the Draft 10-year plan.

Wellington Water Ltd

Objectives

Wellington Water Ltd (WWL) fully manages, under contract, the water, wastewater and stormwater assets for Hutt City Council. It provides high-quality, safe and environmentally sustainable services to Council with a focus on contracted service delivery for the operation, maintenance and ongoing development of drinking water, stormwater and wastewater assets and services, and asset management planning. WWL operates as a successful business on a non-profit basis.

Nature and scope of its activities

WWL represents an efficient and effective way to manage the Three Waters networks through a pool of expert staff and resources available to the region. Shareholding councils are Lower Hutt, Wellington, Porirua and Upper Hutt City Councils, along with the South Wairarapa District Council. WWL also manages the bulk water assets for the Greater Wellington Regional Council.

Performance measures

WWL provides a reliable water supply, wastewater and stormwater management service to Council. Its key performance measures for each of the Three Waters activities are outlined in section 3.

Reform of three waters

During the period of this Long Term Plan, central government is carrying out some reforms in the area of three waters management. As a result, new publicly owned entities may be established across the country to be responsible for managing water assets and activities. The final form, timing and implications of any government decisions remain uncertain. The Long Term Plan 2021–2031 assumes that Council will retain the current three waters system, and that WWL will continue to provide services in the current form.

Section Six

Hō mātou pūtea

Our finances

Financial Statements

Prospective statement of comprehensive revenue and expense

For the year ending 30 June	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
Revenue ($000)											
Rates funding	74,882	79,690	81,342	85,106	92,894	102,035	110,778	120,715	132,105	143,960	159,052
Targeted rates	38,372	49,770	57,167	63,059	67,584	71,727	77,405	83,037	88,545	95,025	99,688
User charges	39,961	45,611	45,474	54,234	58,341	61,989	64,693	67,356	70,049	73,697	76,468
Operating subsidies	6,430	6,765	7,373	7,597	7,789	8,016	8,240	8,491	8,737	8,991	9,234
Operating grants	186	2,905	372	95	98	102	104	108	111	113	116
Capital subsidies	9,377	9,026	18,697	24,099	20,046	18,134	16,208	17,082	27,721	33,264	40,050
Capital grants	-	7,850	9,750	15,100	5,500	3,450	2,500	-	-	-	-
Development & financial contributions	2,802	4,502	2,793	3,120	3,812	4,541	4,983	5,214	5,605	5,943	6,205
Vested assets	858	858	885	909	937	962	990	1,019	1,048	1,078	1,108
Interest earned	796	898	912	926	941	956	972	988	1,005	1,023	1,041
Dividends from council controlled organisations	6	5	5	217	223	342	352	480	494	509	522
Gain/(loss) on disposal of assets	-	-	-	-	-	-	-	-	-	-	-
Other revenue	4,833	5,092	4,203	4,085	4,208	4,591	4,526	4,664	5,085	4,940	5,080
Total revenue	**178,503**	**212,972**	**228,973**	**258,547**	**262,373**	**276,845**	**291,751**	**309,154**	**340,505**	**368,543**	**398,564**
Expenditure											
Employee costs	37,223	40,766	41,578	42,231	44,367	46,233	47,508	49,188	50,647	52,095	53,505
Operating costs	98,318	116,960	123,509	122,265	126,862	130,317	134,361	139,278	145,284	150,557	153,944
Support costs	-	-	-	-	-	-	-	-	-	-	-
Finance costs	8,198	6,542	7,888	10,711	14,261	18,110	20,328	22,086	23,788	24,393	24,507
Depreciation and amortisation	44,441	48,237	52,822	60,710	67,573	74,139	82,207	86,259	90,664	98,148	101,728
Total expenditure	**188,180**	**212,505**	**225,797**	**235,917**	**253,063**	**268,799**	**284,404**	**296,811**	**310,383**	**325,193**	**333,684**
Surplus/(deficit) before tax	**(9,677)**	**467**	**3,176**	**22,630**	**9,310**	**8,046**	**7,347**	**12,343**	**30,122**	**43,350**	**64,880**
Tax expense	-	-	-	-	-	-	-	-	-	-	-
Surplus/(deficit) after tax	**(9,677)**	**467**	**3,176**	**22,630**	**9,310**	**8,046**	**7,347**	**12,343**	**30,122**	**43,350**	**64,880**
Other comprehensive income											
Gain/(loss) on revaluation of financial instruments		-	-	-	-	-	-	-	-	-	-
Gains/Losses on asset revaluation		-	78,422	-	-	98,064	-	-	109,847	-	-
Total other comprehensive income	**-**	**-**	**78,422**	**-**	**-**	**98,064**	**-**	**-**	**109,847**	**-**	**-**
Total comprehensive income	**(9,677)**	**467**	**81,598**	**22,630**	**9,310**	**106,110**	**7,347**	**12,343**	**139,969**	**43,350**	**64,880**

Prospective statement of changes in net equity

For the year ending 30 June	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Equity at beginning of the year	1,330,317	1,343,388	1,343,855	1,425,453	1,448,083	1,457,393	1,563,503	1,570,850	1,583,193	1,723,162	1,766,512
Total Comprehensive Income	(9,677)	467	81,598	22,630	9,310	106,110	7,347	12,343	139,969	43,350	64,880
Equity at end of year	**1,320,640**	**1,343,855**	**1,425,453**	**1,448,083**	**1,457,393**	**1,563,503**	**1,570,850**	**1,583,193**	**1,723,162**	**1,766,512**	**1,831,392**
Represented by:											
Accumulated Funds											
Opening balance	646,597	641,527	639,404	642,262	664,467	673,571	681,992	690,103	702,176	732,157	775,250
Interest allocated to reserves	(105)	(606)	(612)	(621)	(625)	(617)	(602)	(608)	(610)	(615)	(618)
Other transfers to reserves	(1,495)	(3,034)	(684)	(704)	(725)	(73)	(766)	(789)	(811)	(835)	(858)
Transfers from reserves	721	1,050	978	900	1,144	1,065	2,132	1,127	1,280	1,193	1,354
Net surplus / (deficit) after tax	(9,677)	467	3,176	22,630	9,310	8,046	7,347	12,343	30,122	43,350	64,880
Closing balance	**636,041**	**639,404**	**642,262**	**664,467**	**673,571**	**681,992**	**690,103**	**702,176**	**732,157**	**775,250**	**840,008**
Council created reserves											
Opening balance	24,045	28,272	30,861	31,178	31,602	31,807	31,431	30,666	30,935	31,075	31,331
Transfers to accumulated funds	(658)	(1,050)	(978)	(900)	(1,144)	(1,065)	(2,132)	(1,127)	(1,280)	(1,193)	(1,354)
Transfers from accumulated funds	1,495	3,034	684	704	725	73	766	789	811	835	858
Interest earned	105	605	611	620	624	616	601	607	609	614	617
Closing balance	**24,987**	**30,861**	**31,178**	**31,602**	**31,807**	**31,431**	**30,666**	**30,935**	**31,075**	**31,331**	**31,452**
Restricted reserves											
Opening balance	66	62	63	64	65	66	67	68	69	70	71
Transfers to accumulated funds	(63)	-	-	-	-	-	-	-	-	-	-
Transfers from accumulated funds	-	-	-	-	-	-	-	-	-	-	-
Interest earned	-	1	1	1	1	1	1	1	1	1	1
Closing balance	**3**	**63**	**64**	**65**	**66**	**67**	**68**	**69**	**70**	**71**	**72**
Asset revaluation reserves											
Opening balance	659,609	673,527	673,527	751,949	751,949	751,949	850,013	850,013	850,013	959,860	959,860
Changes in asset value	-	-	-	-	-	-	-	-	-	-	-
Valuation gains (losses) taken to equity	-	-	78,422	-	-	98,064	-	-	109,847	-	-
Closing balance	**659,609**	**673,527**	**751,949**	**751,949**	**751,949**	**850,013**	**850,013**	**850,013**	**959,860**	**959,860**	**959,860**
Total equity	**1,320,640**	**1,343,855**	**1,425,453**	**1,448,083**	**1,457,393**	**1,563,503**	**1,570,850**	**1,583,193**	**1,723,162**	**1,766,512**	**1,831,392**

Prospective statement of financial position

For the year ending 30 June	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Current assets											
Cash and cash equivalents	(10,318)	12,688	13,326	13,985	14,667	15,369	16,052	16,778	17,526	18,295	19,042
Debtors and other receivables	25,606	15,628	16,081	16,550	17,035	17,535	18,019	18,535	19,066	19,613	20,144
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Non-current assets held for sale	-	9	438	206	850	3,908	6,421	6,612	3,614	504	548
Other assets	7,493	4,134	4,134	4,134	4,134	4,134	4,134	4,134	4,134	4,134	4,134
Total current assets	**22,781**	**32,459**	**33,979**	**34,875**	**36,686**	**40,946**	**44,626**	**46,059**	**44,340**	**42,546**	**43,868**
Non-current assets											
Property, plant and equipment	1,535,772	1,565,249	1,729,877	1,834,696	1,936,001	2,096,969	2,119,994	2,148,703	2,305,395	2,342,305	2,400,678
Assets under construction	1,814	14,343	14,343	14,343	14,343	14,343	14,343	14,343	14,343	14,343	14,343
Intangible assets	8,897	7,566	11,902	13,238	13,424	14,644	15,086	15,024	15,164	16,330	16,547
Derivative financial instruments	-	-	-	-	-	-	-	-	-	-	-
Investment in subsidiaries	858	858	858	858	858	858	858	858	858	858	858
Investment in associates	200	200	200	200	200	200	200	200	200	200	200
Investment in council controlled organisations	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545	14,545
Other financial assets	22,494	22,992	22,992	22,992	22,992	22,992	22,992	22,992	22,992	22,992	22,992
Total non-current assets	**1,584,580**	**1,625,753**	**1,794,717**	**1,900,872**	**2,002,363**	**2,164,551**	**2,188,018**	**2,216,665**	**2,373,497**	**2,411,573**	**2,470,163**
Total assets	**1,607,361**	**1,658,212**	**1,828,696**	**1,935,747**	**2,039,049**	**2,205,497**	**2,232,644**	**2,262,724**	**2,417,837**	**2,454,119**	**2,514,031**
Current liabilities											
Cash and cash equivalents	-	-	-	-	-	-	-	-	-	-	-
Borrowings - current	25,261	35,703	45,023	67,430	100,042	108,498	103,088	95,566	85,660	69,039	54,268
Derivative financial instruments	38	23	23	23	23	23	23	23	23	23	23
Creditors and other payables	13,145	23,166	23,838	24,533	25,251	25,992	26,710	27,475	28,263	29,073	29,861
Employee entitlements	2,170	2,724	2,803	2,885	2,969	3,056	3,141	3,231	3,323	3,419	3,511
Other liabilities	5,362	5,207	5,358	5,514	5,676	5,842	6,004	6,176	6,353	6,535	6,712
Total current liabilities	**45,976**	**66,823**	**77,045**	**100,385**	**133,961**	**143,411**	**138,966**	**132,471**	**123,622**	**108,089**	**94,375**
Non-current liabilities											
Borrowings - non current	212,927	208,884	287,359	348,245	408,458	459,138	483,181	507,198	530,969	539,206	547,731
Employee entitlements	534	544	560	576	593	610	627	645	664	683	701
Derivative financial instruments	21,971	32,133	32,133	32,133	32,133	32,133	32,133	32,133	32,133	32,133	32,133
Provisions	5,313	5,973	6,146	6,325	6,511	6,702	6,887	7,084	7,287	7,496	7,699
Total non-current liabilities	**240,745**	**247,534**	**326,198**	**387,279**	**447,695**	**498,583**	**522,828**	**547,060**	**571,053**	**579,518**	**588,264**
Total liabilities	**286,721**	**314,357**	**403,243**	**487,664**	**581,656**	**641,994**	**661,794**	**679,531**	**694,675**	**687,607**	**682,639**
Net assets	**1,320,640**	**1,343,855**	**1,425,453**	**1,448,083**	**1,457,393**	**1,563,503**	**1,570,850**	**1,583,193**	**1,723,162**	**1,766,512**	**1,831,392**
Represented by:											
Equity											
Accumulated funds	636,041	639,404	642,262	664,467	673,571	681,992	690,103	702,176	732,157	775,250	840,008
Restricted reserves	3	63	64	65	66	67	68	69	70	71	72
Council created reserves	24,987	30,861	31,178	31,602	31,807	31,431	30,666	30,935	31,075	31,331	31,452
Revaluation reserves	659,609	673,527	751,949	751,949	751,949	850,013	850,013	850,013	959,860	959,860	959,860
Total equity	**1,320,640**	**1,343,855**	**1,425,453**	**1,448,083**	**1,457,393**	**1,563,503**	**1,570,850**	**1,583,193**	**1,723,162**	**1,766,512**	**1,831,392**

Prospective statement of cash flows

For the year ending 30 June	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Cash flows from operating activities											
Cash was provided from:											
Receipts from rates and levies - Council	113,254	129,460	138,509	148,165	160,478	173,762	188,183	203,752	220,650	238,985	258,740
User charges and other income	54,589	81,751	88,209	107,861	99,309	100,323	100,770	102,399	116,777	126,401	136,622
Interest received	796	898	912	926	941	956	972	988	1,005	1,023	1,041
Dividends received	6	5	5	217	223	342	352	480	494	509	522
Receipts from rates and levies - GWRC	32,391	33,773	34,752	35,766	36,813	37,893	38,940	40,055	41,203	42,385	43,533
Net GST received from Inland Revenue	-	-	-	-	-	-	-	-	-	-	-
	201,036	245,887	262,387	292,935	297,764	313,276	329,217	347,674	380,129	409,303	440,458
Cash was applied to:											
Payments to employees	(37,223)	(40,766)	(41,641)	(42,297)	(44,434)	(46,303)	(47,576)	(49,260)	(50,720)	(52,172)	(53,579)
Payments to suppliers	(101,318)	(116,960)	(122,355)	(121,071)	(125,628)	(129,045)	(133,126)	(137,964)	(143,932)	(149,164)	(152,592)
Interest paid	(8,198)	(6,542)	(7,888)	(10,711)	(14,261)	(18,110)	(20,328)	(22,086)	(23,788)	(24,393)	(24,507)
Rates and levies passed to GWRC	(32,391)	(33,773)	(34,752)	(35,766)	(36,813)	(37,893)	(38,940)	(40,055)	(41,203)	(42,385)	(43,533)
Net GST paid to Inland Revenue	-	-	-	-	-	-	-	-	-	-	-
	(179,130)	(198,041)	(206,636)	(209,845)	(221,136)	(231,351)	(239,970)	(249,365)	(259,643)	(268,114)	(274,211)
Net cash inflows from operating activities	**21,906**	**47,846**	**55,751**	**83,090**	**76,628**	**81,925**	**89,247**	**98,309**	**120,486**	**141,189**	**166,247**
Cash flows from investing activities											
Cash was provided from:											
Sale of property, plant and equipment	-	299	9	438	206	850	3,908	6,421	6,612	3,614	504
Other investment receipts	-	-	-	-	-	-	-	-	-	-	-
	-	299	9	438	206	850	3,908	6,421	6,612	3,614	504
Cash was applied to:											
Purchase of property, plant and equipment	(53,991)	(73,836)	(141,125)	(166,936)	(168,355)	(137,678)	(108,301)	(125,049)	(142,796)	(134,687)	(162,898)
Less Upper Hutt City Council capital contribution	4,701	3,315	5,520	5,420	2,920	1,350	1,410	8,244	6,512	4,285	7,494
Purchase of assets under construction	-	-	-	-	-	-	-	-	-	-	-
Purchase of intangible assets	(6,505)	(6,259)	(7,312)	(4,646)	(3,542)	(4,881)	(4,214)	(3,694)	(3,931)	(5,248)	(4,354)
Other investments and payments	-	-	-	-	-	-	-	-	-	-	-
	(55,795)	(76,780)	(142,917)	(166,162)	(168,977)	(141,209)	(111,105)	(120,499)	(140,215)	(135,650)	(159,758)
Net cash outflows from investing activities	**(55,795)**	**(76,481)**	**(142,908)**	**(165,724)**	**(168,771)**	**(140,359)**	**(107,197)**	**(114,078)**	**(133,603)**	**(132,036)**	**(159,254)**

Prospective statement of cash flows

For the year ending 30 June	Annual Plan 2021	Annual Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Cash flows from financing activities											
Cash was provided from:											
Proceeds from borrowing	41,682	79,825	123,498	128,316	160,255	159,178	127,131	119,583	109,431	77,276	62,793
	41,682	79,825	123,498	128,316	160,255	159,178	127,131	119,583	109,431	77,276	62,793
Cash was applied to:											
Repayment of borrowing	(19,793)	(51,190)	(35,703)	(45,023)	(67,430)	(100,042)	(108,498)	(103,088)	(95,566)	(85,660)	(69,039)
	(19,793)	(51,190)	(35,703)	(45,023)	(67,430)	(100,042)	(108,498)	(103,088)	(95,566)	(85,660)	(69,039)
Net cash inflows/(outflows) from financing activities	21,889	28,635	87,795	83,293	92,825	59,136	18,633	16,495	13,865	(8,384)	(6,246)
Net increase/(decrease) in cash, cash equivalents and bank overdraft	(12,000)	-	638	659	682	702	683	726	748	769	747
Cash, cash equivalents and bank overdraft at beginning of the year	1,682	12,688	12,688	13,326	13,985	14,667	15,369	16,052	16,778	17,526	18,295
Cash, cash equivalents and bank overdraft at end of the year	(10,318)	12,688	13,326	13,985	14,667	15,369	16,052	16,778	17,526	18,295	19,042
Cash balance at end of the year comprises:											
Cash and on call deposits	(10,318)	12,688	13,326	13,985	14,667	15,369	16,052	16,778	17,526	18,295	19,042
Short term deposits	-	-	-	-	-	-	-	-	-	-	-
Bank overdraft	-	-	-	-	-	-	-	-	-	-	-
Cash, cash equivalents and bank overdraft at end of the year	(10,318)	12,688	13,326	13,985	14,667	15,369	16,052	16,778	17,526	18,295	19,042

Notes to the financial statements

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 Ltd is equity accounted. Council's subsidiaries/CCOs are incorporated and domiciled in New Zealand.

Council and the group provide local infrastructure and local public services and perform regulatory functions to the community. Council does not operate to make a financial return. Accordingly, Council has designated itself and the group as public benefit entities (PBEs) for financial reporting purposes.

Basis of preparation

Statement of compliance

The financial statements 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 generally accepted accounting practice in New Zealand.

The financial statements have been prepared in accordance with Tier 1 PBE accounting standards and comply with those standards. These prospective financial statements comply with PBE FRS 42.

The Council is not presenting group prospective financial statements as the Council believes that parent statements are more relevant to users. The main purpose of these statements is to provide users with information about the core services that the Council intends to provide to ratepayers, the expected cost of those services and the consequent requirement for rate funding. The level of rate funding required is not affected by subsidiaries except to the extent that the Council obtains distributions from, or further invests in, those subsidiaries and such effects are included in these parent prospective financial statements.

The prospective financial statements were authorised for issue by Council on 30 June 2021. Council, that authorise the issue of the prospective financial statements, is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures. No actual results have been incorporated in these prospective financial statements. Council does not intend to update the prospective financial statements subsequent to presentation. The actual results achieved are likely to vary from the information presented and the variations may be material.

Measurement base

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets and financial instruments (including derivative instruments), which have been measured at fair value.

Management is not aware of any material uncertainties that may cast significant doubt on Council's ability to continue as a going concern. The financial statements have therefore been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the period.

Presentation currency and rounding

The financial statements are presented in New Zealand dollars, and all values are rounded to the nearest thousand dollars ($000). The functional currency of Council is New Zealand dollars.

Summary of significant accounting policies

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to Council and the revenue can be reliably measured, regardless of when payment is being made.

Revenue is measured at the fair value of consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

Revenue is disclosed as either exchange or non-exchange transactions. Exchange transactions are transactions in which Council receives resources (obtains assets or services, or has liabilities extinguished) and directly gives approximately equal value (primarily in the form of cash, goods, services or use of assets) to the other party for the transaction. Non-exchange transactions are transactions in which Council receives resources and provides nil or nominal consideration directly in return.

The specific recognition criteria described must also be met before revenue is recognised.

Interest

Interest income is recognised using the effective interest method.

Dividends

Revenue is recognised when Council's right to receive the payment is established, which is generally when shareholders approve the dividend.

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 and is included in revenue in the Statement of Comprehensive Revenue and Expense.

Revenue from non-exchange transactions

General and targeted rates revenue

General rates, 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.

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

Rates collected on behalf of the 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.

Government grants, subsidies and funding subsidies

Council receives government grants from Waka Kotahi NZ Transport Agency, which subsidise part of the costs of maintenance and capital expenditure on local roading infrastructure. The subsidies are recognised as revenue upon entitlement, as conditions pertaining to eligible expenditure have been fulfilled.

Other grants received

Council receives grants and subsidies from other organisations. 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.

Infringement fees and fines

Council recognises revenue from fines (such as traffic and parking infringements) when the notice of infringement or breach is served by Council. 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.

Development and financial contributions

Development and financial contributions are recognised as revenue when Council provides, or is able to provide, the service for which the contribution was charged. Otherwise, development and financial contributions are recognised as liabilities until such time as Council provides, or is able to provide, the service for which the contribution was levied.

Vested assets

Where a physical asset is acquired for nil or nominal consideration, the fair value of the asset received is recognised as revenue when control over the asset is obtained. The fair value of vested or donated 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.

Borrowing costs

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

Income tax

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. Current tax is calculated using tax rates (and tax laws) that have been enacted or substantively enacted at balance date.

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 Statement of Financial Position and the corresponding tax bases used in the computation of taxable surplus.

Deferred tax is measured at the tax rates that are expected to apply when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at balance date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the entity expects to recover or settle the carrying amount of its assets and liabilities.

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 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.

Cash and cash equivalents

Cash and cash equivalents (current assets) in the Statement of Financial Position comprise 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.

For the purposes of the Statement of Cash Flows, cash and cash equivalents consist of cash and cash equivalents, as defined above, net of outstanding bank overdrafts. Bank overdrafts are shown within interest-bearing loans and borrowings in current liabilities in the Statement of Financial Position.

Debtors and other receivables

Debtors and other receivables are initially measured at their face value, less any provision for impairment. 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.

Derivative financial instruments

Council uses derivative financial instruments such as interest-rate swaps to manage exposure to interest-rate risks arising from Council's operational and financing activities. 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 Council does 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.

Property, plant and equipment

Property, plant and equipment consist of:

Operational assets

These include land, buildings, landfill post-closure, improvements, library books, plant and equipment, collection items and motor vehicles.

Restricted assets

Restricted assets are mainly parks and reserves owned by Council 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. 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 (operational and restricted, except land under roads) and art collections are measured at fair value. Buildings and infrastructure assets are measured at fair value less accumulated depreciation. All other asset classes are measured at cost less accumulated depreciation and impairment losses.

Measurement subsequent to initial recognition – revaluation

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

The carrying values of revalued assets are assessed annually to ensure that they do not differ materially from the assets' fair values. If there is a material difference, then the off-cycle asset classes are revalued.

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 expense 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 expense 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 expense.

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 if, and only if, it is probable that future economic benefits or service potential associated with the item will flow to Council 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.

Disposals

An item of property, plant and equipment is de-recognised upon disposal or when no further future economic benefits or service potential are expected from its use or disposal. 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.

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 Council and the cost of the item can be measured reliably.

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

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:

The residual value and useful life of an asset is reviewed,

Operational assets	Years	Percentages
Site improvements	5-42	2.38-20.00
Buildings	3-76	1.32-33.33
Landfill assets (including plant and infrastructure not associated with the network)	3-49	2.05-33.33
Library books	7	14.28
Plant and equipment	1–33	3.33–74.04
Vehicles	3–5	20.00–33.00
Wharves	6–41	2.44–14.68
Breakwaters	90	1.11
Infrastructure assets		
Stormwater assets	10–52	1.91–10.00
Water supply assets	8–39	2.57–12.50
Wastewater assets (including treatment plant)	2–135	0.74–50.00
Roading network	3–89	1.12–33.33
Seawalls	64	1.56

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

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

Intangible assets

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 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 Council's website are recognised as an expense when incurred.

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 de-recognised. 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:

Computer software	2–10 years	10.00% – 50.00%
Resource consents	12–29 years	3.41% – 7.86% (life of the consent)

Impairment of property, plant, equipment and 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.

Property, plant, equipment and 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.

Creditors and other payables

Short-term creditors and other payables are recorded at face value.

Borrowings

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 Council has an unconditional right to defer settlement of the liability for at least 12 months after the balance date.

Employee entitlements

Short-term benefits

Employee benefits that Council expects to be settled wholly before 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 earned to, but not yet taken at, balance date, and retiring and long-service leave entitlements expected to be settled wholly before 12 months.

Council recognises 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.

Defined benefit schemes

Council belongs to the Defined Benefit Plan Contributors Scheme, which is managed by the Board of Trustees of the National Provident Fund. The scheme is a multi-employer defined benefit scheme.

Insufficient information is available to use defined benefit accounting, as it is not possible to determine from the terms of the scheme the extent to which the surplus or deficit will affect future contributions by individual employers, as there is no prescribed basis for allocation. The scheme is therefore accounted for as a defined contribution scheme.

Provisions

Council 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 ongoing maintenance and monitoring services at landfill sites 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 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 for Silverstream and Wainuiomata is 28 years and 26 years respectively.

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.

Equity

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 expense is Council's accumulated surplus or deficit since the formation of 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 a 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.

Goods and services tax (GST)

All items in the financial statements are stated exclusive of GST, except for receivables and payables, which are stated 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.

Operating statements included in the Statement of Service Performance

The operating statements report the net cost of services for significant activities of Council. Council has derived the net cost of services for each significant activity using the cost allocation system outlined below.

Direct costs are charged directly to significant activities. Indirect costs are charged to the significant activities based on cost drivers and related activity or usage information.

Each significant activity has been charged an internal interest cost. The net interest cost incurred by Council is allocated to each significant activity based on the net book value of property, plant and equipment used by the activity.

Critical accounting estimates and assumptions

In preparing these financial statements, Council management has made estimates and assumptions concerning the future that affect the reported amount of revenues, expenses, assets and liabilities, and the accompanying disclosures. These estimates and assumptions may differ from the subsequent actual results. Estimates 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 future financial years are discussed below.

Infrastructural assets

There are a number of assumptions and estimates 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
- 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 Income. 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.

Provision for 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.

For other significant accounting estimates and assumptions, see section 4.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies in relation to the classification of property.

Council owns a number of properties held to provide 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 Council's social housing policy. The properties are therefore accounted for as property, plant and equipment rather than as investment property.

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. Surpluses held in reserves are credited with interest. Council holds 12 reserve funds; five 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 1 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.

Table 1: Current reserves

Council-created reserves – purpose of the fund	Opening balance July 2021 $000	Deposits $000	Expenditure $000	Closing balance June 2031 $000
Reserve purchase and development (Open spaces, 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.	15,269	14,571	(12,223)	17,617
Election fund (Democratic services activity) To annually provide for the cost of Council elections and by-elections.	150	-	-	150
Landfills reserve (Solid waste activity) To set funds aside for the longer-term replacement of the landfill. This figure has been capped at $12M.	12,000	-	-	12,000
Waste minimisation reserve (Solid waste activity) 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.	484	794	-	1,278
Wingate Landfill reserve (Open spaces, 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.	184	19	-	203
Wingate Park (Open spaces, 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.	178	19	-	197
Ex-Hillary Commission funds (Swimming pools and fitness centres) To provide funding for sporting activities. Approval needs to be given by Sport New Zealand.	7	1	-	8
Totals	28,272	15,403	(12,223)	31,452

Restricted reserves – purpose of the fund				
Taitā Cemetery – JV Bently (Open spaces, parks and reserves activity) 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
Lavelle tree bequest (Open spaces, parks and reserves activity) To provide for the planting of trees in and around Te Awa Kairangi Lower Hutt on major thoroughfares.	33	7	-	40
ML Talbut bequest (Open spaces, parks and reserves activity) To provide for the planting and maintenance of reserves.	14	1	-	15
Eastbourne Arts Trust (Art and museums activity) 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.	12	1	-	13
Totals	62	10	-	72

Prudence reporting

Rates (increase) affordability benchmark

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.

Debt affordability benchmark

a) Meets affordability benchmark if planned borrowing is within each quantified limit on borrowing.

Debt affordability benchmark (planned debt compared to debt limits)

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the 10-year plan. The 10-year plan achieves debt levels within the quantified limit.

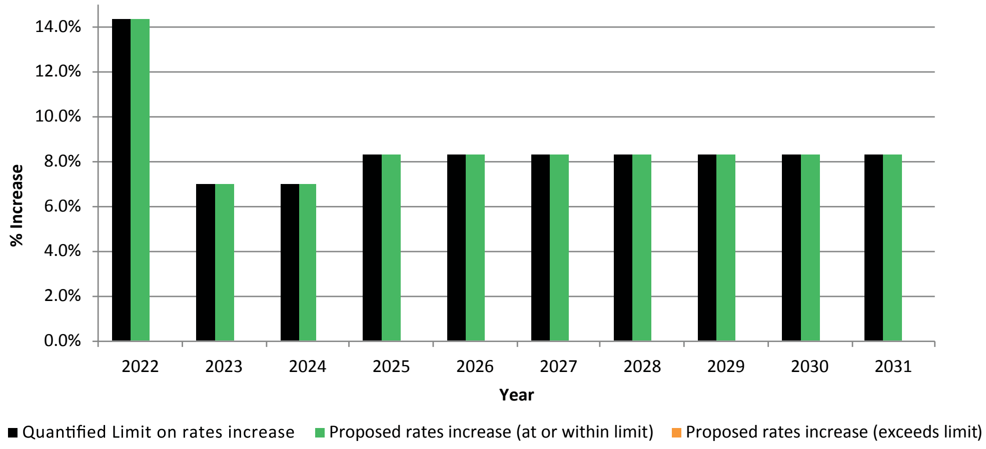
Debt affordability benchmark

b) Meets affordability benchmark if planned borrowing is within each quantified limit on borrowing as a percentage of revenue (excluding development contributions, financial contributions, gains on derivative financial instruments and revaluation on PPE).

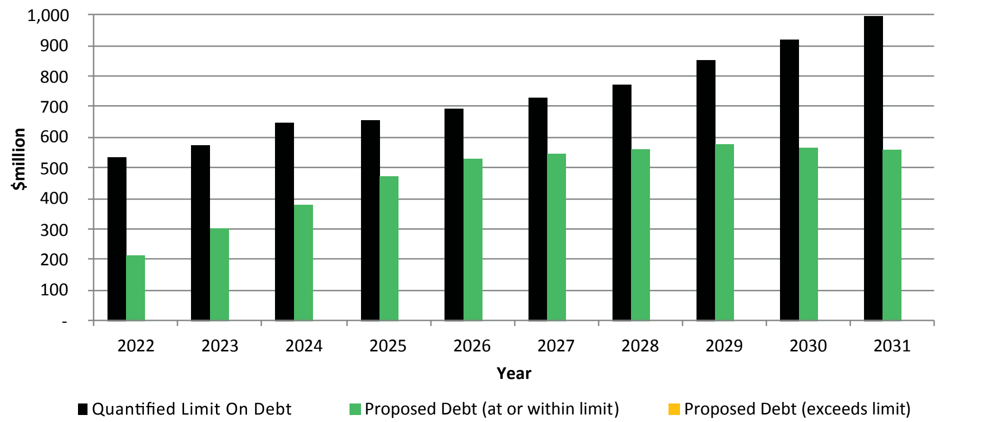
Debt affordability benchmark (planned debt as percentage of revenue)

The following graph compares the Council's actual borrowing with a quantified limit on borrowing stated in the Financial Strategy included in the 10-year plan. The 10-year plan achieves debt levels within the quantified limit.

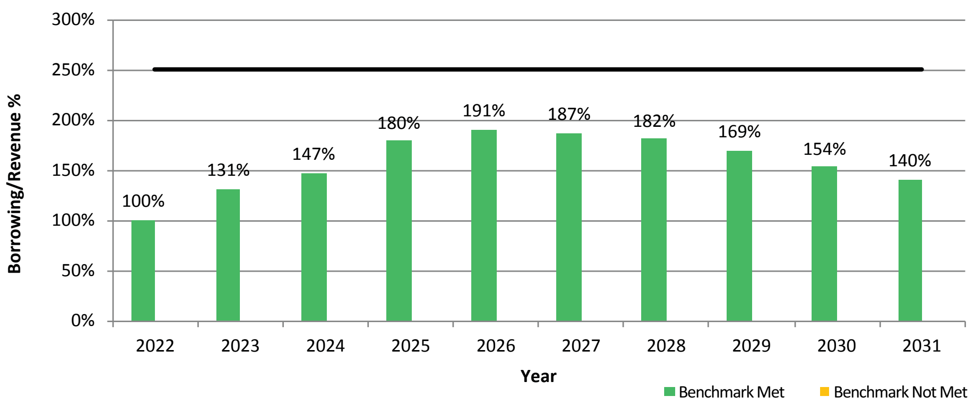
Rates (increase) affordability benchmark



Debt affordability benchmark (planned debt compared to debt limits)



Debt affordability benchmark (planned debt as percentage of revenue)

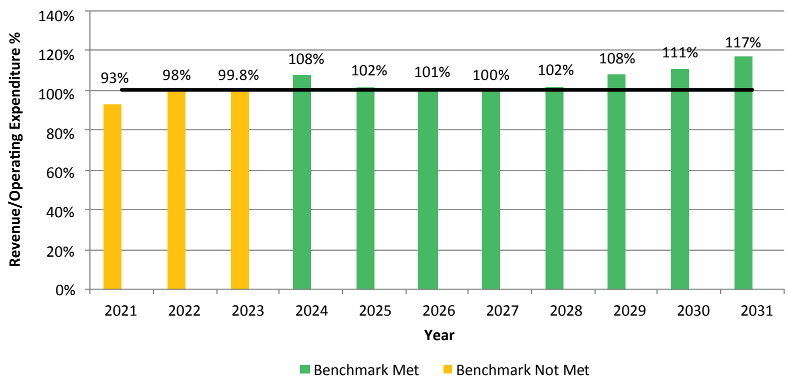


Balanced budget benchmark (planned revenue greater than planned expenditure)

Meets balance 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).

The Council meets this benchmark if its revenue equals or is greater than its operating expenses. The benchmark will not be met for the years 2021-2023 mainly due to Council's decision to keep rates increases at the levels in the Financial Strategy to help address affordability of rates.

Balanced budget benchmark (planned revenue greater than planned expenditure)

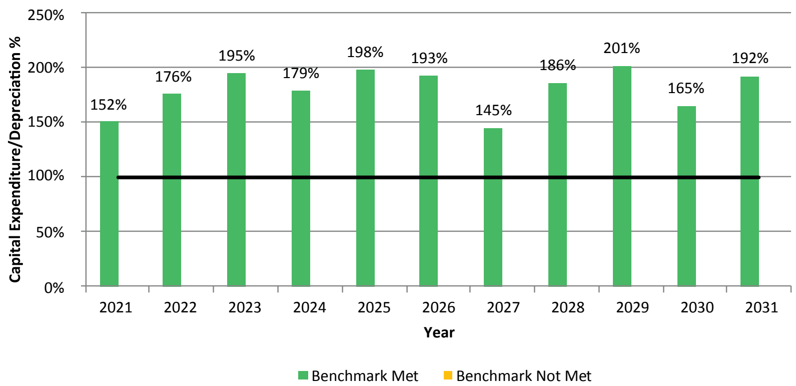


Essential services benchmark

Meets the essential service benchmark if its capital expenditure on network services for the year equals or is greater than depreciation on network services.

The following graph displays the Council's planned capital expenditure on network services as a proportion of depreciation on network services. The Council meets this benchmark as its planned capital expenditure on network services is equal to or greater than depreciation on network services.

Essential services benchmark

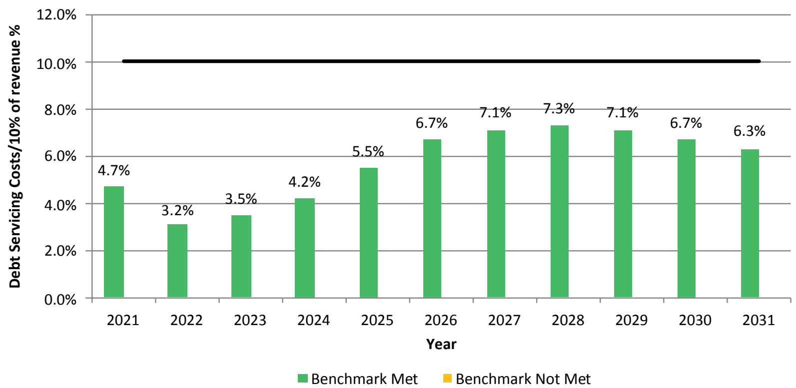


Debt servicing benchmark

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 derivative financial instruments and revaluation of PPE).

The following graph displays the council's planned borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluation of property, plant and equipment). Because Stats New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equals or are less than 10 per cent of its revenue. Actual borrowing costs as a precentage of revenue are well within the 10 per cent limit.

Debt servicing benchmark



Funding impact statements including rates for 2021/22

Section A: Introduction

This Funding Impact Statement includes full details of how rates are calculated. It should be read in conjunction with Council's Revenue and Financing Policy (see Section 4), which sets out Council's policies in respect of each source of funding.

Summary of funding mechanisms and indication of level of funds to be produced by each mechanism

The Whole of Council Funding Impact Statement sets out the sources of funding to be used for 2021/22 and for subsequent years, the amount of funds expected to be produced from each source, and how the funds are to be applied. Details of user charges and other funding sources, and the proportion applicable to each activity, are included in the Council's Revenue and Financing Policy.

Uniform annual general charge

Council has not set a uniform annual general charge (UAGC) for 2021/22.

Definition of separately used or inhabited part

For the purposes of any targeted rate set as a fixed amount per separately used or inhabited part (SUIP) of a rating unit, a SUIP is defined as:

> Any part of the rating unit separately used or inhabited by the owner or any other person who has the right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement.

At a minimum, the land or premises intended to form the SUIP of the rating unit must be capable of actual habitation, or actual use by persons for purposes of conducting a business.

For the avoidance of doubt, a rating unit that has only one use (ie, it does not have separate parts or is vacant land) is treated as being one SUIP of a rating unit.

Section B: Rates for year

For 2021/22, and for subsequent years, the Council will set the following rates.

a) Water supply rate

A targeted rate will be set to meet the net operating costs of water supply and reticulation in the city. Lump sums will not be invited in respect of this rate. Council has set the targeted rate for water supply on the basis of the following factors:

- a charge per SUIP of a rating unit that is connected to the water reticulation system and is not metered
- a charge of 50 per cent of the above charge per SUIP of a rating unit that is not connected to but is able to be connected to the water reticulation system
- a charge per rating unit that is connected to the water reticulation system and contains more than one SUIP, where a water meter has been installed to measure the total water consumed

provided that:

- rating units situated within 100m of any part of the water reticulation network are considered to be able to be connected (ie, serviceable)
- rating units that are not connected to the system, and that are not able to be connected, will not be liable for this rate
- where the owner of a rating unit with more than one SUIP has installed a water meter to measure the total water consumed, the owner will be liable to pay for water consumed as measured by the meter as set out in Council's Fees and Charges (see section 6).

The charges for the 2021/22 rating year are as follows:

Category	Charge
Connected and unmetered	$520.00 per SUIP
Serviceable but not connected	$260.00 per SUIP
Connected and metered	$520.00 per rating unit

b) Wastewater rate

A targeted rate will be set to meet the net operating costs of wastewater collection, treatment and disposal within the city. Lump sums will not be invited in respect of this rate.

Council will set the targeted rate for the wastewater function on the basis of the following factors:

- a charge per SUIP of a rating unit for all rating units connected to the wastewater system
- for rating units in the commercial categories, an additional charge of 50 per cent of the above charge for the second and each subsequent WC or urinal connected to the wastewater system

provided that:

- no charge is made to any rating unit not connected to the wastewater system.

The charges for the 2021/22 rating year are as follows:

Category	Charge
Connected – SUIP	$559.00 each
For commercial properties: second and each subsequent WC or urinal per rating unit	$279.50 each

c) Recycling collection targeted rate

A targeted rate will be set to meet 100 per cent of the costs of the recycling collection service from residential and rural properties. Lump sums will not be invited in respect of this rate.

The targeted rate will be set as a fixed amount per SUIP of each serviceable rating unit in the Residential and Rural differential categories.

Rating units that are not able to be serviced by the system will not be liable for this rate. This could include:

- Land that does not have improvements recorded
- Land with a storage shed only
- Land that cannot receive the service due to inaccessibility, as determined by the Council.

The charge for the 2021/22 rating year is as follows:

Category	Charge per SUIP
Rating units in the Residential and Rural categories that can be serviced	$105.00

New refuse and green waste collection targeted rates

As part of the Council's changes to its waste collection services and introduction of new green waste service options, two new targeted rates will be introduced from the 2021/22 year:

d) Refuse collection targeted rate

A targeted rate will be set to meet 100 per cent of the costs of the rubbish collection service from residential and rural rating units that are serviced or able to be serviced. Lump sums will not be invited in respect of this rate.

Rating units that are not able to be serviced by the system will not be liable for this rate. This could include:

- Land that does not have improvements recorded
- Land with a storage shed only
- Land that cannot receive the service due to inaccessibility, as determined by the Council.

The targeted rate will be set per SUIP on each serviced or serviceable rating unit in the Residential and Rural differential categories, differentiated by extent of provision of service.

The standard refuse service includes one 120-litre bin (or equivalent). Rating units can opt to use an 80-litre or 240-litre bin instead of the standard service. Rating units that are able to be serviced but opt not to be will be rated at the charge applying to the 80-litre bin.

The charges for the 2021/22 rating year are as follows:

Category	Provision or availability	Per SUIP
Residential and Rural rating units	80 Litre or equivalent	$105.00
Residential and Rural rating units	120 Litre or equivalent	$144.00
Residential and Rural rating units	120 Litre or equivalent	$288.00
Residential and Rural rating units	Able to be serviced but not serviced	$105.00

e) Green waste collection targeted rate

A targeted rate will be set to meet 100 per cent of the costs of the green waste collection service. Lump sums will not be invited in respect of this rate.

Ratepayers will be able to opt in to receive the green waste service. The targeted rate will be set as a fixed amount per SUIP of each rating unit that receives this service.

The charge for the 2021/22 rating year is as follows:

Category	Charge per SUIP
Provision of service determined by those that choose to opt in	$95.00

f) Jackson Street programme rate

A targeted rate, based on the capital value of each rating unit, will be set to raise revenue from rating units in the Commercial Suburban category and with a frontage to Jackson Street, Petone, between Hutt Road and Cuba Street. The revenue raised from this rate will be applied to meet the costs of the Jackson Street Programme, a community-based initiative to help reorganise and revitalise commercial activities in Jackson Street. Lump sums will not be invited in respect of this rate.

The charge for the 2021/22 rating year is as follows:

Category	Charge
Rating units (or part thereof) in the Commercial Suburban category having frontage to Jackson Street, Petone, between Hutt Road and Cuba Street	0.00074897 cents per $ of capital value

g) General rate

A general rate will be set:

- to meet the costs of Council activities, other than those detailed above
- based on the capital value of each rating unit in the city
- on a differential basis, based on the use to which the land is put and its location.

Section C: Differential rating details

Each rating unit (or part thereof) is allocated to a differential rating category (based on land use and location) for the purpose of calculating the general rate and some targeted rates. Set out below are the definitions used to allocate rating units to categories, together with details of the differential rating relationships between each category of rating unit for the purposes of setting and assessing the general rate.

For the purposes of these definitions:

- rating units that have no apparent land use (or where there is doubt as to the relevant use) will be placed in a category which best suits the activity area of the property under the District Plan
- rating units that have more than one use will be 'divided' so that each part may be differentially rated based on the land use of each part.

For the avoidance of doubt, 'commercial purposes' includes rating units used:

- as a hotel, motel, inn, hostel or boarding house
- primarily as licensed premises
- as a camping ground
- as a convalescent home, nursing home, rest home or hospice operating for profit
- as a fire station
- by a government, quasi-government or local authority agency for administration or operational purposes
- as an establishment similar to any of the kinds referred to above, except to the extent that any such rating unit is non-rateable land in terms of the Local Government (Rating) Act 2002.

A 'utility network' includes:

- a gas, petroleum or geothermal energy distribution system
- an electricity distribution system
- a telecommunications or radio communications system
- a wastewater, storm water or water supply reticulation system.

Subject to the right of objection set out in section 29 of the Local Government (Rating) Act 2002, it shall be at the sole discretion of Council to determine the use or primary use of any rating unit in the city.

Definition of rating categories

Category	Description
Residential (RES)	All land that is: • used for residential purposes, excluding land categorised as rural; or • used or set aside for reserve or recreational purposes (other than East Harbour Regional Park) ; and • not otherwise categorised in the Definition of Rating Categories table
Rural (RUR)	All land located in the Rural zone in the Council's operative District Plan, excluding land categorised as: • Community Facilities; • Commercial Suburban; • Utility Networks.
Commercial Central (CMC)	All land used for commercial and/or industrial purposes, and located within the Central Commercial Area as defined in the operative District Plan, excluding land categorised as: • Community Facilities; • Utility Networks.
Commercial Suburban (CMS)	All land used for commercial and/or industrial purposes, excluding land categorised as: • Community Facilities; • Commercial Central; • Utility Networks.
Utility Networks (UTN)	All land comprising all or part of a utility network.
Community Facilities 1 (CF1)	All land that is: • 100 per cent non-rateable in terms of the Local Government (Rating) Act 2002, Schedule 1, Part 1 • 50 per cent non-rateable in terms of the Local Government (Rating) Act 2002, Schedule 1, Part 2.
Community Facilities 2 (CF2)	All land occupied by charitable trusts and not-for-profit organisations that either: • use the land for non-trading purposes for the benefit of the community; or • would qualify as land that is 50% non-rateable in accordance with Part 2 of Schedule 1 of the Local Government (Rating) Act 2002 if the organisation did not have a liquor licence.
Community Facilities 3 (CF3)	All land occupied by not-for-profit community groups or organisations whose primary purpose is to address the needs of adult members for entertainment or social interaction, and which engage in recreational, sporting, welfare or community services as a secondary purpose

Relationships of differential categories

The general rate payable on each category of property is expressed as a rate in the dollar of capital value.

These different rates in the dollar for different property categories are known as 'differential factors', and are agreed following the completion of step two of the section 101(3) funding needs analysis process (which is designed to allow the Council to apply its judgement on the overall impact of the allocation of liability for revenue needs on the current and future social, economic, environmental and cultural wellbeing of the community).

Following a review Council undertook for the 10-year plan, the general rate will be apportioned between residential, commercial and utility categories based on a percentage applied to each category group.

The indicative percentages to be applied under the new policy are as follows (including 2020/21 as a comparator):

Rating Category	2020/21 percentage	2021/22 percentage	2022/23 percentage	2023/24 percentage
Residential	63%	62%	61%	60%
Commercial Central	7.2%	7.5%	7.8%	8.0%
Commercial Suburban	23.3%	23.9%	24.5%	25.3%
Utility Networks	5.2%	5.4%	5.4%	5.4%

The following table sets out the differential factors that Council will apply across all differential categories in 2021/22 to give effect to the approach.

The general rate differentials based on capital values are:

Rating category	2021/22 Differential	Charge per $ of capital value
Residential	1.000	0.257612 cents
Rural	0.747	0.192436 cents
Commercial Central	2.997	0.772187 cents
Commercial Suburban	2.781	0.716327 cents
Utility Networks	2.842	0.732137 cents
Community Facilities 1	1.000	0.257612 cents
Community Facilities 2	0.500	0.128806 cents
Community Facilities 3	2.344	0.603842 cents

Section D: Other information

Summary of revenue required by differential group in 2021/22

Differential group	Total rates by category 2021/22 $000 GST inclusive	Proportion of total rates
Residential	111,902	72.8%
Rural	922	0.6%
Utility Networks	4,919	3.2%
Commercial Central	7,993	5.2%
Commercial Suburban	26,438	17.2%
Community Facilities 1	1,076	0.7%
Community Facilities 2	307	0.2%
Community Facilities 3	154	0.1%
Total rates set	153,711	100%

Summary of total revenue required from 2021/22 rates

Rate	Amount (inclusive of GST) $000	Amount (exclusive of GST) $000
General Rate	94,475	83,891
Targeted Rates: Water Supply	21,368	18,581
Wastewater	24,571	21,366
Jackson Street	167	145
Refuse	6,196	5,388
Recycling	4,324	3,760
Green waste	609	530
Total rate revenue	153,711	133,661

Note: The total rate revenue includes rates charged on Council-owned properties, rate refunds and rate remissions.

Rates instalment details

The rates above are payable in six equal instalments on the following dates:

Instalment number	Due date
One	20 August 2021
Two	20 October 2021
Three	20 December 2021
Four	21 February 2022
Five	20 April 2022
Six	20 June 2022

Penalties on unpaid rates

The Council resolves, pursuant to sections 57 and 58 of the Local Government (Rating) Act 2002, except as stated below*, that:

a) a penalty of 10 per cent will be added to the amount of any instalment remaining unpaid by the relevant due date above

b) a penalty of 10 per cent will be added to the amount of any rates assessed in previous years remaining unpaid on 20 August 2021

c) a further penalty of 10 per cent will be added to the amount of any rates to which a penalty has been added under b) above and which remain unpaid on 21 February 2022.

*No penalty shall be added to any rate account if:

- a direct debit authority is in place for payment of the rates by regular weekly, fortnightly or monthly instalments, and payment in full is made by the end of the rating year
- any other satisfactory arrangement has been reached for payment of the current rates by regular instalments by the end of the rating year.

Rating base

Based on the projected increase of 1.1 per cent in the rating base each year, the following table shows the projected number of rating units in the city as at 30 June:

2021 (Actual)	2022	2023	2024	2025
42,787	43,258	43,733	44,215	44,701

2026	2027	2028	2029	2030	2031
45,193	45,690	46,192	46,700	47,214	47,734

Examples of rates on a range of typical properties

The examples below show how a range of properties are affected by the rates for 2021/22.

2021 - 2022 rates	2020/21 rates		2021/22 rates		
Property category	Rateable value as at 1 July 2020 ($)	At current rates ($)	Rateable value as at 1 July 2021 ($)	Rates ($)	Change amount ($)
Average Residential	$625,042	$2,599	$628,500	$2,947	$339
Average Commercial Central	$1,690,799	$13,628	$1,740,915	$14,802	$1,174
Average Commercial Suburban	$1,625,545	$11,812	$1,642,500	$13,124	$1,312
Average Rural (no services)	$867,386	$1,608	$872,000	$1,678	$70

Property category	Rateable value as at 1 July 2021 ($)	General rate ($)	Water ($)	Wastewater ($)	Rubbish and recycling ($)	Total ($)
Residential	400,000	$1,030	$520	$559	$249	$2,358
Residential	600,000	$1,546	$520	$559	$249	$2,874
Residential	800,000	$2,061	$520	$559	$249	$3,389
Residential	1,000,000	$2,576	$520	$559	$249	$3,904
Residential	1,200,000	$3,091	$520	$559	$249	$4,419
Commercial Suburban	500,000	$3,582	$520	$839	$0	$4,941
Commercial Suburban	900,000	$6,447	$520	$839	$0	$7,806
Commercial Suburban	1,400,000	$10,029	$520	$839	$0	$11,388
Commercial Central	420,000	$3,243	$520	$839	$0	$4,602
Commercial Central	950,000	$7,336	$520	$839	$0	$8,695
Commercial Central	1,800,000	$13,899	$520	$839	$0	$15,258
Commercial Central (Queensgate)	295,000,000	$2,277,952	$7,540	$15,373	$0	$2,300,865
Utility Networks	2,630,700	$19,260	$0	$0	$0	$19,260
Rural	660,000	$1,270	$0	$0	$249	$1,519
Rural	840,000	$1,616	$0	$0	$249	$1,865
Rural	970,000	$1,867	$0	$0	$249	$2,116
Community Facilities 1	663,118	$1,708	$520	$839	$0	$3,067
Community Facilities 2	1,396,351	$1,799	$520	$839	$0	$3,158
Community Facilities 3	3,371,667	$20,360	$520	$839	$0	$21,719

Residential suburbs: average rateable value	Rateable value as at 1 July 2021	General rate ($)	Water ($)	Wastewater ($)	Rubbish and recycling ($)	Total ($)
Alicetown	$661,500	$1,704	$520	$559	$249	$3,032
Avalon	$605,500	$1,560	$520	$559	$249	$2,888
Belmont	$711,000	$1,832	$520	$559	$249	$3,160
Boulcott	$736,500	$1,897	$520	$559	$249	$3,225
Days Bay	$990,000	$2,550	$520	$559	$249	$3,878
Eastbourne	$930,000	$2,396	$520	$559	$249	$3,724
Epuni	$651,500	$1,678	$520	$559	$249	$3,006
Fairfield	$617,000	$1,589	$520	$559	$249	$2,917
Harbour View	$687,000	$1,770	$520	$559	$249	$3,098
Haywards	$405,000	$1,043	$520	$559	$249	$2,371
Hutt Central	$858,500	$2,212	$520	$559	$249	$3,540
Kelson	$645,000	$1,662	$520	$559	$249	$2,990
Korokoro	$786,000	$2,025	$520	$559	$249	$3,353
Lowry Bay	$1,270,000	$3,272	$520	$559	$249	$4,600
Manor Park	$580,000	$1,494	$520	$559	$249	$2,822
Maungaraki	$688,000	$1,772	$520	$559	$249	$3,100
Melling	$539,000	$1,389	$520	$559	$249	$2,717
Moera	$506,000	$1,304	$520	$559	$249	$2,632
Naenae	$493,500	$1,271	$520	$559	$249	$2,599
Normandale	$661,000	$1,703	$520	$559	$249	$3,031
Petone	$754,000	$1,942	$520	$559	$249	$3,270
Point Howard	$905,000	$2,331	$520	$559	$249	$3,659
Stokes Valley	$486,000	$1,252	$520	$559	$249	$2,580
Taitā	$488,000	$1,257	$520	$559	$249	$2,585
Wainuiomata	$461,000	$1,188	$520	$559	$249	$2,516
Waiwhetu	$621,500	$1,601	$520	$559	$249	$2,929
Waterloo	$696,000	$1,793	$520	$559	$249	$3,121
Woburn	$953,000	$2,455	$520	$559	$249	$3,783
York Bay	$850,000	$2,190	$520	$559	$249	$3,518

Funding impact statements

Transport - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	20,195	17,853	18,735	22,407	24,829	27,860	31,435	35,304	39,449	45,450	52,095
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	4,309	4,526	4,753	4,901	5,015	5,161	5,305	5,471	5,630	5,793	5,950
Fees and charges	4,146	4,826	4,657	4,792	4,931	5,074	5,447	5,605	5,767	5,934	6,095
Internal charges and overheads recovered	4,361	7,202	9,026	8,953	9,493	9,411	9,723	8,541	7,079	5,638	1,887
Local authorities fuel tax, fines, infringement fees, and other receipts	987	1,026	1,055	1,086	1,118	1,150	1,182	1,216	1,251	1,287	1,323
Total operating funding (A)	**33,999**	**35,433**	**38,226**	**42,139**	**45,386**	**48,656**	**53,092**	**56,137**	**59,176**	**64,102**	**67,350**
Applications of operating funding											
Payments to staff and suppliers	15,755	14,736	15,237	15,700	16,113	16,504	16,981	17,796	18,315	18,810	19,321
Finance costs	1,395	900	1,419	1,957	2,591	3,333	3,871	4,350	5,011	5,642	6,302
Internal charges and overheads applied	2,540	3,104	3,295	3,264	3,412	3,534	3,715	3,714	3,748	3,892	3,848
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**19,690**	**18,740**	**19,951**	**20,921**	**22,116**	**23,371**	**24,567**	**25,860**	**27,074**	**28,344**	**29,471**
Surplus (deficit) of operating funding (A-B)	**14,309**	**16,693**	**18,275**	**21,218**	**23,270**	**25,285**	**28,525**	**30,277**	**32,102**	**35,758**	**37,879**
Sources of capital funding											
Subsidies and grants for capital expenditure	9,377	10,761	12,956	17,201	18,971	17,888	17,425	17,082	27,721	33,264	40,050
Development & financial contributions	350	243	366	428	537	651	723	746	774	803	825
Increase (decrease) in debt	(4,260)	(8,838)	(7,761)	(8,008)	(8,029)	(11,002)	(14,757)	(14,063)	(5,678)	(4,397)	(16)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**5,467**	**2,166**	**5,561**	**9,621**	**11,479**	**7,537**	**3,391**	**3,765**	**22,817**	**29,670**	**40,859**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	267	283	2,031	2,149	1,637	1,303	2,190	5,726	7,653	9,775
• to improve level of service	11,104	9,932	15,027	19,982	22,156	19,251	18,240	17,994	36,092	46,052	56,407
• to replace existing assets	8,672	8,660	8,526	8,826	10,444	11,934	12,373	13,858	13,101	11,723	12,556
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**19,776**	**18,859**	**23,836**	**30,839**	**34,749**	**32,822**	**31,916**	**34,042**	**54,919**	**65,428**	**78,738**
Surplus (deficit) of capital funding (C-D)	**(14,309)**	**(16,693)**	**(18,275)**	**(21,218)**	**(23,270)**	**(25,285)**	**(28,525)**	**(30,277)**	**(32,102)**	**(35,758)**	**(37,879)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Water supply - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	17,321	18,581	22,341	24,927	26,151	28,881	31,787	34,406	36,642	39,309	41,538
Subsidies and grants for operating purposes	-	1,060	-	-	-	-	-	-	-	-	-
Fees and charges	3,325	3,625	3,730	3,838	3,950	4,064	4,178	4,299	4,424	4,552	4,675
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	116	120	123	127	130	134	138	142	146	150
Total operating funding (A)	**20,762**	**23,382**	**26,191**	**28,888**	**30,228**	**33,075**	**36,099**	**38,843**	**41,208**	**44,007**	**46,363**
Applications of operating funding											
Payments to staff and suppliers	15,057	17,853	19,978	21,772	22,020	23,544	25,102	26,689	27,779	29,112	30,910
Finance costs	516	773	595	831	1,233	1,832	2,311	2,732	3,204	3,518	3,599
Internal charges and overheads applied	397	421	612	612	628	651	685	678	699	726	716
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**15,970**	**19,047**	**21,185**	**23,215**	**23,881**	**26,027**	**28,098**	**30,099**	**31,682**	**33,356**	**35,225**
Surplus (deficit) of operating funding (A-B)	**4,792**	**4,335**	**5,006**	**5,673**	**6,347**	**7,048**	**8,001**	**8,744**	**9,526**	**10,651**	**11,138**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	1,060	-	-	-	-	-	-	-	-	-
Development & financial contributions	175	706	1,033	1,163	1,473	1,811	2,006	2,128	2,311	2,476	2,608
Increase (decrease) in debt	426	6,422	6,403	4,717	24,299	29,215	12,013	12,822	13,155	620	2,149
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**601**	**8,188**	**7,436**	**5,880**	**25,772**	**31,026**	**14,019**	**14,950**	**15,466**	**3,096**	**4,757**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	443	956	1,305	13,372	6,647	62	64	66	542	557
• to improve level of service	2,311	2,059	4,612	2,111	10,418	22,268	12,523	14,334	15,341	3,306	1,363
• to replace existing assets	3,082	10,021	6,874	8,137	8,329	9,159	9,435	9,296	9,585	9,899	13,975
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**5,393**	**12,523**	**12,442**	**11,553**	**32,119**	**38,074**	**22,020**	**23,694**	**24,992**	**13,747**	**15,895**
Surplus (deficit) of capital funding (C-D)	**(4,792)**	**(4,335)**	**(5,006)**	**(5,673)**	**(6,347)**	**(7,048)**	**(8,001)**	**(8,744)**	**(9,526)**	**(10,651)**	**(11,138)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Wastewater - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	19,574	21,366	24,632	27,554	30,454	31,449	33,802	36,369	39,179	42,509	44,463
Subsidies and grants for operating purposes	2,113	3,291	2,611	2,687	2,765	2,845	2,925	3,010	3,097	3,187	3,273
Fees and charges	1,057	1,057	1,088	1,119	1,152	1,185	1,218	1,254	1,290	1,328	1,363
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	116	116	120	123	127	130	134	138	142	146	150
Total operating funding (A)	**22,861**	**25,830**	**28,451**	**31,483**	**34,498**	**35,609**	**38,079**	**40,771**	**43,708**	**47,170**	**49,249**
Applications of operating funding											
Payments to staff and suppliers	12,204	15,056	16,515	17,288	18,665	18,322	18,822	19,941	20,979	22,037	22,807
Finance costs	682	1,166	1,053	1,642	2,316	3,040	3,445	3,886	4,370	4,636	4,887
Internal charges and overheads applied	858	471	1,062	1,067	1,093	1,132	1,182	1,183	1,221	1,265	1,262
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**13,744**	**16,693**	**18,630**	**19,997**	**22,074**	**22,494**	**23,449**	**25,010**	**26,570**	**27,938**	**28,956**
Surplus (deficit) of operating funding (A-B)	**9,117**	**9,137**	**9,821**	**11,486**	**12,424**	**13,115**	**14,630**	**15,761**	**17,138**	**19,232**	**20,293**
Sources of capital funding											
Subsidies and grants for capital expenditure	4,602	4,375	5,520	5,420	2,920	1,350	1,410	8,244	6,512	4,285	7,494
Development & financial contributions	2,027	466	669	775	998	1,226	1,365	1,421	1,549	1,650	1,721
Increase (decrease) in debt	3,240	9,130	17,177	14,516	6,836	6,464	4,552	22,319	16,182	4,378	13,219
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**9,869**	**13,971**	**23,366**	**20,711**	**10,754**	**9,040**	**7,327**	**31,984**	**24,243**	**10,313**	**22,434**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	1,210	2,713	4,664	2,179	789	840	1,001	1,022	1,541	2,222
• to improve level of service	13,535	4,916	3,148	10,794	5,831	3,773	3,848	2,882	33	1,017	3,586
• to replace existing assets	5,451	16,982	27,326	16,739	15,168	17,593	17,269	43,862	40,326	26,987	36,919
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**18,986**	**23,108**	**33,187**	**32,197**	**23,178**	**22,155**	**21,957**	**47,745**	**41,381**	**29,545**	**42,727**
Surplus (deficit) of capital funding (C-D)	**(9,117)**	**(9,137)**	**(9,821)**	**(11,486)**	**(12,424)**	**(13,115)**	**(14,630)**	**(15,761)**	**(17,138)**	**(19,232)**	**(20,293)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Stormwater - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	7,922	7,905	6,943	7,613	8,526	8,997	9,695	10,366	11,797	13,096	14,325
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	8	538	9	9	9	10	10	10	10	11	11
Fees and charges	12	12	12	12	13	13	14	14	14	15	15
Internal charges and overheads recovered	1,710	3,188	3,346	3,042	3,260	3,039	2,999	2,508	2,117	1,625	518
Local authorities fuel tax, fines, infringement fees, and other receipts	116	116	120	123	127	130	134	138	142	146	150
Total operating funding (A)	**9,768**	**11,759**	**10,430**	**10,799**	**11,935**	**12,189**	**12,852**	**13,036**	**14,080**	**14,893**	**15,019**
Applications of operating funding											
Payments to staff and suppliers	4,230	5,457	5,105	5,025	5,950	5,900	6,001	5,952	6,672	6,778	6,559
Finance costs	311	409	305	394	491	599	645	698	790	898	1,001
Internal charges and overheads applied	243	979	335	332	344	355	374	373	381	396	393
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**4,784**	**6,845**	**5,745**	**5,751**	**6,785**	**6,854**	**7,020**	**7,023**	**7,843**	**8,072**	**7,953**
Surplus (deficit) of operating funding (A-B)	**4,984**	**4,914**	**4,685**	**5,048**	**5,150**	**5,335**	**5,832**	**6,013**	**6,237**	**6,821**	**7,066**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	530	-	-	-	-	-	-	-	-	-
Development & financial contributions	250	87	108	119	150	180	197	207	239	261	277
Increase (decrease) in debt	1,042	(1,680)	(677)	(2,187)	(2,003)	(440)	491	1,091	3,035	3,942	1,823
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**1,292**	**(1,063)**	**(569)**	**(2,068)**	**(1,853)**	**(260)**	**688**	**1,298**	**3,274**	**4,203**	**2,100**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	218	187	57	59	61	62	64	66	68	70
• to improve level of service	4,668	2,414	1,502	198	734	2,422	3,734	640	2,636	4,068	696
• to replace existing assets	1,608	1,219	2,427	2,725	2,504	2,592	2,724	6,607	6,809	6,888	8,400
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**6,276**	**3,851**	**4,116**	**2,980**	**3,297**	**5,075**	**6,520**	**7,311**	**9,511**	**11,024**	**9,166**
Surplus (deficit) of capital funding (C-D)	**(4,984)**	**(4,914)**	**(4,685)**	**(5,048)**	**(5,150)**	**(5,335)**	**(5,832)**	**(6,013)**	**(6,237)**	**(6,821)**	**(7,066)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Soild waste - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	1,337	9,678	10,045	10,424	10,821	11,234	11,649	12,090	12,547	13,025	13,500
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	15,155	19,888	21,188	29,346	32,227	34,206	35,880	37,656	39,506	42,212	44,152
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	5	-	-	-	-	-	-	-	-	-	-
Total operating funding (A)	**16,497**	**29,566**	**31,233**	**39,770**	**43,048**	**45,440**	**47,529**	**49,746**	**52,053**	**55,237**	**57,652**
Applications of operating funding											
Payments to staff and suppliers	8,908	18,745	20,689	25,884	28,350	29,434	30,599	31,728	32,958	34,296	35,485
Finance costs	656	512	655	773	900	1,000	1,029	1,102	1,150	1,161	1,151
Internal charges and overheads applied	368	804	864	862	884	911	957	951	981	1,016	1,012
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**9,932**	**20,061**	**22,208**	**27,519**	**30,134**	**31,345**	**32,585**	**33,781**	**35,089**	**36,473**	**37,648**
Surplus (deficit) of operating funding (A-B)	**6,565**	**9,505**	**9,025**	**12,251**	**12,914**	**14,095**	**14,944**	**15,965**	**16,964**	**18,764**	**20,004**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(2,161)	(6,970)	(1,323)	(9,694)	(7,842)	(11,085)	(11,383)	(5,268)	(13,120)	(18,262)	(16,006)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**(2,161)**	**(6,970)**	**(1,323)**	**(9,694)**	**(7,842)**	**(11,085)**	**(11,383)**	**(5,268)**	**(13,120)**	**(18,262)**	**(16,006)**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	4,404	2,535	7,702	2,557	5,072	3,010	3,561	10,697	3,844	502	3,998
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**4,404**	**2,535**	**7,702**	**2,557**	**5,072**	**3,010**	**3,561**	**10,697**	**3,844**	**502**	**3,998**
Surplus (deficit) of capital funding (C-D)	**(6,565)**	**(9,505)**	**(9,025)**	**(12,251)**	**(12,914)**	**(14,095)**	**(14,944)**	**(15,965)**	**(16,964)**	**(18,764)**	**(20,004)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

City development - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,909	10,031	11,721	7,121	7,010	7,067	7,521	8,042	8,557	8,814	9,183
Targeted rates	137	145	149	154	158	163	167	172	177	182	187
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	232	289	298	86	89	91	94	97	100	102	105
Internal charges and overheads recovered	1,924	4,045	5,648	2,846	2,681	2,387	2,326	1,946	1,536	1,094	332
Local authorities fuel tax, fines, infringement fees, and other receipts	65	65	-	-	-	-	75	77	79	82	84
Total operating funding (A)	**11,267**	**14,575**	**17,816**	**10,207**	**9,938**	**9,708**	**10,183**	**10,334**	**10,449**	**10,274**	**9,891**
Applications of operating funding											
Payments to staff and suppliers	8,991	12,262	14,964	6,901	5,646	4,633	4,454	4,424	4,495	4,627	4,821
Finance costs	324	302	635	1,188	2,024	2,835	3,278	3,530	3,538	3,183	2,561
Internal charges and overheads applied	1,110	2,011	2,217	2,118	2,268	2,240	2,451	2,380	2,416	2,464	2,509
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**10,425**	**14,575**	**17,816**	**10,207**	**9,938**	**9,708**	**10,183**	**10,334**	**10,449**	**10,274**	**9,891**
Surplus (deficit) of operating funding (A-B)	**842**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	765	7,491	9,898	3,575	2,496	1,283	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	6,409	7,940	32,645	34,053	44,321	8,903	(1,995)	(5,693)	(5,858)	(2,260)	258
Gross proceeds from sale of assets	-	-	-	-	-	-	3,458	5,930	6,102	2,511	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**6,409**	**8,705**	**40,136**	**43,951**	**47,896**	**11,399**	**2,746**	**237**	**244**	**251**	**258**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	1,200	-	-	-	-	-	-	-	-	-
• to improve level of service	7,251	7,505	40,136	43,951	47,896	11,399	2,746	237	244	251	258
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**7,251**	**8,705**	**40,136**	**43,951**	**47,896**	**11,399**	**2,746**	**237**	**244**	**251**	**258**
Surplus (deficit) of capital funding (C-D)	**(842)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Sustainability & resilience - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	1,411	1,146	952	1,200	1,241	1,313	1,396	1,473	1,585	1,697	1,893
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	53	150	278	-	-	-	-	-	-	-	-
Fees and charges	-	75	95	119	149	187	231	238	245	252	259
Internal charges and overheads recovered	305	462	459	479	475	444	432	356	284	211	69
Local authorities fuel tax, fines, infringement fees, and other receipts	415	670	690	710	730	751	772	795	818	842	864
Total operating funding (A)	**2,184**	**2,503**	**2,474**	**2,508**	**2,595**	**2,695**	**2,831**	**2,862**	**2,932**	**3,002**	**3,085**
Applications of operating funding											
Payments to staff and suppliers	1,793	1,984	1,885	1,944	1,977	2,097	2,162	2,225	2,290	2,358	2,422
Finance costs	6	6	13	18	25	29	27	25	20	16	11
Internal charges and overheads applied	352	498	561	531	578	554	626	596	608	614	638
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**2,151**	**2,488**	**2,459**	**2,493**	**2,580**	**2,680**	**2,815**	**2,846**	**2,918**	**2,988**	**3,071**
Surplus (deficit) of operating funding (A-B)	**33**	**15**	**15**	**15**	**15**	**15**	**16**	**16**	**14**	**14**	**14**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	327	355	366	(15)	(15)	(15)	(16)	(16)	(14)	(14)	(14)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**327**	**355**	**366**	**(15)**	**(15)**	**(15)**	**(16)**	**(16)**	**(14)**	**(14)**	**(14)**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	250	370	381	-	-	-	-	-	-	-	-
• to replace existing assets	110	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**360**	**370**	**381**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus (deficit) of capital funding (C-D)	**(33)**	**(15)**	**(15)**	**(15)**	**(15)**	**(15)**	**(16)**	**(16)**	**(14)**	**(14)**	**(14)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Regulatory services - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	2,585	1,570	2,762	2,882	3,112	3,321	3,601	3,768	3,948	4,498	4,553
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	7,652	8,716	7,015	7,250	7,427	7,676	7,857	8,120	8,319	8,598	8,792
Internal charges and overheads recovered	558	633	1,331	1,152	1,190	1,122	1,114	912	709	558	165
Local authorities fuel tax, fines, infringement fees, and other receipts	1,172	1,175	1,211	1,248	1,290	1,326	1,365	1,411	1,451	1,495	1,542
Total operating funding (A)	**11,967**	**12,094**	**12,319**	**12,532**	**13,019**	**13,445**	**13,937**	**14,211**	**14,427**	**15,149**	**15,052**
Applications of operating funding											
Payments to staff and suppliers	8,069	8,604	8,599	8,871	9,100	9,394	9,628	9,938	10,197	10,751	10,777
Finance costs	8	9	14	16	17	19	15	12	9	7	5
Internal charges and overheads applied	3,846	3,381	3,609	3,562	3,820	3,951	4,212	4,182	4,145	4,313	4,218
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**11,923**	**11,994**	**12,222**	**12,449**	**12,937**	**13,364**	**13,855**	**14,132**	**14,351**	**15,071**	**15,000**
Surplus (deficit) of operating funding (A-B)	**44**	**100**	**97**	**83**	**82**	**81**	**82**	**79**	**76**	**78**	**52**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	515	(100)	(97)	(83)	(82)	(81)	(82)	(79)	(76)	(78)	(52)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**515**	**(100)**	**(97)**	**(83)**	**(82)**	**(81)**	**(82)**	**(79)**	**(76)**	**(78)**	**(52)**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	559	-	-	-	-	-	-	-	-	-	-
• to replace existing assets	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**559**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Surplus (deficit) of capital funding (C-D)	**(44)**	**(100)**	**(97)**	**(83)**	**(82)**	**(81)**	**(82)**	**(79)**	**(76)**	**(78)**	**(52)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Connectivity, creativity, learning. & recreation - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	20,026	17,497	16,214	17,677	20,566	23,733	25,411	27,310	29,234	31,787	35,085
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	100	100	83	84	87	90	92	95	98	100	103
Fees and charges	3,914	4,115	4,289	4,532	5,214	6,211	6,400	6,602	6,811	7,027	7,237
Internal charges and overheads recovered	4,324	7,056	7,813	7,063	7,865	8,017	7,860	6,608	5,247	3,944	1,270
Local authorities fuel tax, fines, infringement fees, and other receipts	1,135	1,015	941	969	997	1,026	1,054	1,085	1,116	1,149	1,180
Total operating funding (A)	**29,499**	**29,783**	**29,340**	**30,325**	**34,729**	**39,077**	**40,817**	**41,700**	**42,506**	**44,007**	**44,875**
Applications of operating funding											
Payments to staff and suppliers	18,984	18,375	17,089	17,564	19,287	20,892	21,465	22,100	22,755	23,424	24,075
Finance costs	1,252	697	1,038	1,372	1,748	2,130	2,290	2,332	2,272	2,006	1,795
Internal charges and overheads applied	4,874	6,122	6,535	6,474	6,883	7,186	7,617	7,688	7,741	8,079	8,024
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**25,110**	**25,194**	**24,662**	**25,410**	**27,918**	**30,208**	**31,372**	**32,120**	**32,768**	**33,509**	**33,894**
Surplus (deficit) of operating funding (A-B)	**4,389**	**4,589**	**4,678**	**4,915**	**6,811**	**8,869**	**9,445**	**9,580**	**9,738**	**10,498**	**10,981**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	2,700	8,000	12,100	3,000	1,200	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(751)	5,999	12,018	13,459	935	(1,159)	(6,596)	(5,453)	(6,364)	(5,883)	3,202
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**(751)**	**8,699**	**20,018**	**25,559**	**3,935**	**41**	**(6,596)**	**(5,453)**	**(6,364)**	**(5,883)**	**3,202**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	896	10,158	21,738	28,430	9,058	3,897	617	1,462	1,641	2,359	11,851
• to replace existing assets	2,742	3,130	2,958	2,044	1,688	5,013	2,232	2,665	1,733	2,256	2,332
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**3,638**	**13,288**	**24,696**	**30,474**	**10,746**	**8,910**	**2,849**	**4,127**	**3,374**	**4,615**	**14,183**
Surplus (deficit) of capital funding (C-D)	**(4,389)**	**(4,589)**	**(4,678)**	**(4,915)**	**(6,811)**	**(8,869)**	**(9,445)**	**(9,580)**	**(9,738)**	**(10,498)**	**(10,981)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Open spaces, parks & reserves - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	11,377	11,834	12,024	13,588	14,490	15,647	16,765	18,322	19,886	19,602	21,042
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	5	5	6	6	6	6	6	7	7	7	7
Fees and charges	2,752	1,472	1,515	1,507	1,509	1,553	1,596	1,642	1,691	1,740	1,786
Internal charges and overheads recovered	2,457	4,772	5,794	5,429	5,541	5,285	5,186	4,433	3,569	2,432	762
Local authorities fuel tax, fines, infringement fees, and other receipts	-	55	56	58	59	61	63	65	67	68	70
Total operating funding (A)	**16,591**	**18,138**	**19,395**	**20,588**	**21,605**	**22,552**	**23,616**	**24,469**	**25,220**	**23,849**	**23,667**
Applications of operating funding											
Payments to staff and suppliers	12,306	13,200	12,929	12,556	12,493	12,868	13,240	13,636	14,046	14,431	14,873
Finance costs	711	400	647	894	1,161	1,408	1,526	1,546	1,560	1,483	1,381
Internal charges and overheads applied	921	1,093	1,183	1,159	1,232	1,293	1,377	1,377	1,388	1,454	1,426
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**13,938**	**14,693**	**14,759**	**14,609**	**14,886**	**15,569**	**16,143**	**16,559**	**16,994**	**17,368**	**17,680**
Surplus (deficit) of operating funding (A-B)	**2,653**	**3,445**	**4,636**	**5,979**	**6,719**	**6,983**	**7,473**	**7,910**	**8,226**	**6,481**	**5,987**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	3,000	617	635	654	673	692	712	732	753	774
Increase (decrease) in debt	3,127	6,464	6,799	6,193	2,901	(1,777)	(17)	(4,372)	(2,234)	(2,658)	706
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**3,127**	**9,464**	**7,416**	**6,828**	**3,555**	**(1,104)**	**675**	**(3,660)**	**(1,502)**	**(1,905)**	**1,480**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	4,775	3,008	2,162	1,090	1,487	2,667	4,155	805	3,130	978	3,553
• to replace existing assets	1,005	9,901	9,890	11,717	8,787	3,212	3,993	3,445	3,594	3,598	3,914
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**5,780**	**12,909**	**12,052**	**12,807**	**10,274**	**5,879**	**8,148**	**4,250**	**6,724**	**4,576**	**7,467**
Surplus (deficit) of capital funding (C-D)	**(2,653)**	**(3,445)**	**(4,636)**	**(5,979)**	**(6,719)**	**(6,983)**	**(7,473)**	**(7,910)**	**(8,226)**	**(6,481)**	**(5,987)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Community partnering & support - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	8,132	7,129	7,142	7,539	7,787	8,339	8,956	9,740	10,569	11,567	12,623
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	28	-	5	5	5	6	6	6	6	6	6
Fees and charges	446	438	451	464	477	491	505	519	534	550	565
Internal charges and overheads recovered	1,756	2,875	3,441	3,013	2,978	2,817	2,770	2,357	1,897	1,435	457
Local authorities fuel tax, fines, infringement fees, and other receipts	1,202	1,240	164	169	174	179	184	189	195	200	206
Total operating funding (A)	**11,564**	**11,682**	**11,203**	**11,190**	**11,421**	**11,832**	**12,421**	**12,811**	**13,201**	**13,758**	**13,857**
Applications of operating funding											
Payments to staff and suppliers	8,948	8,432	7,784	7,618	7,642	7,867	8,090	8,328	8,575	8,826	9,070
Finance costs	746	50	78	103	130	154	163	166	174	179	181
Internal charges and overheads applied	1,140	1,552	1,648	1,632	1,737	1,825	1,936	1,983	2,028	2,121	2,149
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**10,834**	**10,034**	**9,510**	**9,353**	**9,509**	**9,846**	**10,189**	**10,477**	**10,777**	**11,126**	**11,400**
Surplus (deficit) of operating funding (A-B)	**730**	**1,648**	**1,693**	**1,837**	**1,912**	**1,986**	**2,232**	**2,334**	**2,424**	**2,632**	**2,457**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	963	(538)	(866)	(628)	(1,326)	(1,264)	(452)	(1,712)	(1,181)	(1,042)	(1,750)
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**963**	**(538)**	**(866)**	**(628)**	**(1,326)**	**(1,264)**	**(452)**	**(1,712)**	**(1,181)**	**(1,042)**	**(1,750)**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	1,392	280	108	743	60	118	590	172	189	1,145	71
• to replace existing assets	301	830	719	466	526	604	1,190	450	1,054	445	636
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**1,693**	**1,110**	**827**	**1,209**	**586**	**722**	**1,780**	**622**	**1,243**	**1,590**	**707**
Surplus (deficit) of capital funding (C-D)	**(730)**	**(1,648)**	**(1,693)**	**(1,837)**	**(1,912)**	**(1,986)**	**(2,232)**	**(2,334)**	**(2,424)**	**(2,632)**	**(2,457)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

City governance - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	4,215	4,725	4,851	5,079	5,334	5,759	5,999	6,391	7,081	7,451	8,251
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads recovered	910	1,906	2,337	2,029	2,040	1,945	1,856	1,547	1,271	924	299
Local authorities fuel tax, fines, infringement fees, and other receipts	-	-	241	-	-	262	-	-	286	-	-
Total operating funding (A)	**5,125**	**6,631**	**7,429**	**7,108**	**7,374**	**7,966**	**7,855**	**7,938**	**8,638**	**8,375**	**8,550**
Applications of operating funding											
Payments to staff and suppliers	2,138	2,826	3,371	3,004	3,089	3,646	3,268	3,363	3,970	3,561	3,657
Finance costs	-	-	-	-	-	-	-	-	-	-	-
Internal charges and overheads applied	2,976	3,799	4,055	4,104	4,285	4,320	4,587	4,575	4,668	4,814	4,893
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**5,114**	**6,625**	**7,426**	**7,108**	**7,374**	**7,966**	**7,855**	**7,938**	**8,638**	**8,375**	**8,550**
Surplus (deficit) of operating funding (A-B)	**11**	**6**	**3**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	(11)	(6)	(3)	-	-	-	-	-	-	-	-
Gross proceeds from sale of assets	-	-	-	-	-	-	-	-	-	-	-
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**(11)**	**(6)**	**(3)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
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)	**(11)**	**(6)**	**(3)**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Coporate services - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	-	-	-	-	-	-	-	-	-	-	-
Targeted rates	-	-	-	-	-	-	-	-	-	-	-
Subsidies and grants for operating purposes	-	-	-	-	-	-	-	-	-	-	-
Fees and charges	1,269	1,098	1,136	1,169	1,203	1,238	1,273	1,310	1,348	1,387	1,424
Internal charges and overheads recovered	-	-	-	-	-	-	-	-	-	-	-
Local authorities fuel tax, fines, infringement fees, and other receipts	1,165	1,259	1,287	1,528	1,560	1,706	1,743	1,899	1,943	1,989	2,032
Total operating funding (A)	**2,434**	**2,357**	**2,423**	**2,697**	**2,763**	**2,944**	**3,016**	**3,209**	**3,291**	**3,376**	**3,456**
Applications of operating funding											
Payments to staff and suppliers	18,158	20,196	20,942	20,369	20,897	21,449	22,057	22,346	22,900	23,641	22,672
Finance costs	1,591	1,318	1,436	1,523	1,625	1,731	1,728	1,707	1,690	1,664	1,633
Internal charges and overheads applied	(1,321)	7,904	13,221	8,289	8,360	6,516	4,548	(471)	(6,314)	(13,291)	(25,331)
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**18,428**	**29,418**	**35,599**	**30,181**	**30,882**	**29,696**	**28,333**	**23,582**	**18,276**	**12,014**	**(1,026)**
Surplus (deficit) of operating funding (A-B)	**(15,994)**	**(27,061)**	**(33,176)**	**(27,484)**	**(28,119)**	**(26,752)**	**(25,317)**	**(20,373)**	**(14,985)**	**(8,638)**	**4,482**
Sources of capital funding											
Subsidies and grants for capital expenditure	-	-	-	-	-	-	-	-	-	-	-
Development & financial contributions	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) in debt	22,539	33,021	40,479	31,692	31,455	30,783	29,081	23,576	18,406	12,783	(632)
Gross proceeds from sale of assets	-	299	9	438	206	850	450	491	510	1,103	504
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**22,539**	**33,320**	**40,488**	**32,130**	**31,661**	**31,633**	**29,531**	**24,067**	**18,916**	**13,886**	**(128)**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	-	-	-	-	-	-	-	-	-	-
• to improve level of service	4,872	4,949	6,139	3,296	1,799	2,970	1,736	1,832	2,003	2,912	1,942
• to replace existing assets	1,673	1,310	1,173	1,350	1,743	1,911	2,478	1,862	1,928	2,336	2,412
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**6,545**	**6,259**	**7,312**	**4,646**	**3,542**	**4,881**	**4,214**	**3,694**	**3,931**	**5,248**	**4,354**
Surplus (deficit) of capital funding (C-D)	**15,994**	**27,061**	**33,176**	**27,484**	**28,119**	**26,752**	**25,317**	**20,373**	**14,985**	**8,638**	**(4,482)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Whole of Council - Funding Impact Statement

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
General rates, uniform annual general charges, rates penalties	84,773	79,690	81,342	85,105	92,895	102,035	110,778	120,716	132,106	143,962	159,052
Targeted rates	38,369	49,770	57,167	63,059	67,584	71,727	77,405	83,037	88,545	95,025	99,688
Subsidies and grants for operating purposes	6,616	9,670	7,745	7,692	7,887	8,118	8,344	8,599	8,848	9,104	9,350
Fees and charges	39,960	45,611	45,474	54,234	58,341	61,989	64,693	67,356	70,049	73,697	76,468
Internal charges and overheads recovered	802	903	917	1,143	1,164	1,298	1,324	1,468	1,499	1,532	1,563
Local authorities fuel tax, fines, infringement fees, and other receipts	5,693	5,950	5,088	4,994	5,145	5,553	5,516	5,683	6,133	6,018	6,188
Total operating funding (A)	**176,214**	**191,594**	**197,735**	**216,228**	**233,016**	**250,721**	**268,061**	**286,859**	**307,180**	**329,338**	**352,307**
Applications of operating funding											
Payments to staff and suppliers	135,541	157,726	165,087	164,496	171,231	176,551	181,868	188,467	195,932	202,653	207,448
Finance costs	8,198	6,542	7,888	10,711	14,261	18,110	20,328	22,086	23,788	24,393	24,507
Other operating funding applications	-	-	-	-	-	-	-	-	-	-	-
Total applications of operating funding (B)	**143,739**	**164,268**	**172,975**	**175,207**	**185,492**	**194,661**	**202,197**	**210,553**	**219,720**	**227,047**	**231,956**
Surplus (deficit) of operating funding (A-B)	**32,475**	**27,326**	**24,760**	**41,022**	**47,525**	**56,061**	**65,864**	**76,306**	**87,460**	**102,291**	**120,351**
Sources of capital funding											
Subsidies and grants for capital expenditure	13,979	20,191	33,967	44,619	28,466	22,934	20,118	25,326	34,233	37,549	47,544
Development & financial contributions	2,802	4,502	2,793	3,120	3,812	4,541	4,983	5,214	5,605	5,943	6,205
Increase (decrease) in debt	31,405	51,199	105,160	84,015	91,450	48,542	10,839	23,152	16,253	(12,871)	2,887
Gross proceeds from sale of assets	-	299	9	438	206	850	3,908	6,421	6,612	3,614	504
Lump sum contributions	-	-	-	-	-	-	-	-	-	-	-
Other dedicated capital funding	-	-	-	-	-	-	-	-	-	-	-
Total sources of capital funding (C)	**48,186**	**76,191**	**141,929**	**132,192**	**123,934**	**76,867**	**39,848**	**60,113**	**62,703**	**34,235**	**57,140**
Application of capital funding											
Capital expenditure											
• to meet additional demand	-	3,338	4,139	8,057	17,759	9,134	2,267	3,319	6,880	9,804	12,624
• to improve level of service	56,017	48,126	102,655	113,152	104,511	71,775	51,750	51,055	65,153	62,590	83,725
• to replace existing assets	24,644	52,053	59,893	52,004	49,189	52,018	51,694	82,045	78,130	64,132	81,144
Increase (decrease) in reserves	-	-	-	-	-	-	-	-	-	-	-
Increase (decrease) of investments	-	-	-	-	-	-	-	-	-	-	-
Total applications of capital funding (D)	**80,661**	**103,517**	**166,687**	**173,213**	**171,459**	**132,927**	**105,711**	**136,419**	**150,163**	**136,526**	**177,493**
Surplus (deficit) of capital funding (C-D)	**(32,475)**	**(27,326)**	**(24,758)**	**(41,021)**	**(47,525)**	**(56,060)**	**(65,863)**	**(76,306)**	**(87,460)**	**(102,291)**	**(120,353)**
Funding balance ((A-B)+(C-D))	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Reconciliation of financial statements to funding impact statements

For the year ending 30 June	Annual Plan 2021	Long Term Plan 2022	Forecast 2023	Forecast 2024	Forecast 2025	Forecast 2026	Forecast 2027	Forecast 2028	Forecast 2029	Forecast 2030	Forecast 2031
($000)											
Sources of operating funding											
Total revenue from Prospective Statement of Comprehensive Income	178,504	212,972	228,973	258,547	262,373	276,845	291,751	309,154	340,505	368,543	398,564
Less capital contributions	(12,179)	(21,378)	(31,240)	(42,319)	(29,358)	(26,125)	(23,691)	(22,296)	(33,326)	(39,207)	(46,255)
Funding impact statement total operating funding (A)	**166,325**	**191,594**	**197,733**	**216,228**	**233,015**	**250,720**	**268,060**	**286,858**	**307,179**	**329,336**	**352,309**
Total revenue from Prospective Statement of Comprehensive Income	188,180	212,505	225,797	235,917	253,063	268,799	284,404	296,811	310,383	325,193	333,684
Less capital contributions	(44,441)	(48,237)	(52,822)	(60,710)	(67,573)	(74,139)	(82,207)	(86,259)	(90,664)	(98,148)	(101,728)
Funding impact statement total applications of operating finding (B)	**143,739**	**164,268**	**172,975**	**175,207**	**185,490**	**194,660**	**202,197**	**210,552**	**219,719**	**227,045**	**231,956**
Net Surplus per Prospective Statement of Comprehensive Income	(9,675)	467	3,176	22,630	9,310	8,046	7,347	12,343	30,122	43,350	64,880
Add depreciation expense	44,441	48,237	52,822	60,710	67,573	74,139	82,207	86,259	90,664	98,148	101,728
Less capital contributions	(12,179)	(21,378)	(31,240)	(42,319)	(29,358)	(26,125)	(23,691)	(22,296)	(33,326)	(39,207)	(46,255)
Funding impact statement surplus (deficit) of operating funding (A-B)	**22,587**	**27,326**	**24,758**	**41,021**	**47,525**	**56,060**	**65,863**	**76,306**	**87,460**	**102,291**	**120,353**
Surplus (deficit) of operating funding (A-B)	-	-	-	-	-	-	-	-	-	-	-
Total capital source of funding											
Add capital contributions	12,179	21,378	31,240	42,319	29,358	26,125	23,691	22,296	33,326	39,207	46,255
Add depreciation	44,441	48,237	52,822	60,710	67,573	74,139	82,207	86,259	90,664	98,148	101,728
Asset sales	-	299	9	438	206	850	3,908	6,421	6,612	3,614	504
Upper Hutt City Council subsidy	4,602	3,315	5,520	5,420	2,920	1,350	1,410	8,244	6,512	4,285	7,494
Loan funding	19,437	4,363	54,907	55,617	56,507	28,805	(2,685)	2,467	3,623	(14,392)	(648)
Total sources of capital funding (C)	**80,659**	**77,592**	**144,498**	**164,504**	**156,564**	**131,269**	**108,531**	**125,687**	**140,737**	**130,862**	**155,333**
Total application of capital funding (D)	**80,659**	**77,592**	**144,498**	**164,504**	**156,564**	**131,269**	**108,531**	**125,687**	**140,737**	**130,862**	**155,333**
Difference of capital funding (C-D)	-	-	-	-	-	-	-	-	-	-	-

Fees and Charges

The following is a consolidated list of Council's fees and charges. All fees and charges include Goods and Services Tax (GST).

Animal services

	2021/2022
Entire dog	$155.00
Neutered	$118.70
All dogs not registered by 3 August	$206.40
Neutered dogs not registered by 3 August	$170.00
Classified 'dangerous'	$170.00
Classified 'dangerous' and not registered by 3 August	$247.50
Responsible dog owner (RDO) status	$77.40
Disability assist dogs	$0.00
Replacement registration tags	$12.00
Euthanasia at owner's request (plus $1/kg for cremation fee)	$50.00
Dog disposal/surrender fee (plus sustenance fee below if required)	$50.00
Licence fee for keeping more than 2 dogs	$65.00
After-hours collection fee	$40.00
Requested dog pick-up/delivery	$65.00
RDO property inspection	$65.00
Impounding and sustenance fees (registered dogs)	
Micro-chipping fee	$40.00
Boarding fee per day	$25.00
Impounding and sustenance fees (registered dogs)	
Micro-chipping fee	$40.00
Boarding fee per day	$25.00
Impounding and sustenance fees (registered dogs)	
First impounding during year of registration	$100.00
Second impounding during year of registration	$160.00
Sustenance fee per dog per day	$25.00
Seizure fee	$80.00
Impounding and sustenance fees (unregistered dogs)	
First impounding during year of registration	$120.00
Second impounding during year of registration	$200.00
Sustenance fee per dog per day	$25.00
Seizure fee	$120.00

Archives

There is no charge for inspecting physical items on site at Council offices. Please note: researchers can use their own camera to take images when inspecting physical items on site at Council offices.

Search fees	
For information on a topic where we search the archives on your behalf	
First hour of research	Free of charge
Fee per additional half hour of staff time or part thereof	$38.00
Reproduction fees	
Please note: reproductions are provided as high-quality scanned images via email. Reproductions are subject to the physical condition, type of item and any copyright restrictions	
Scanning A3 and A4 – up to 20 pages	Free of charge
Scanning A3 and A4 – over 20 pages	
Fee per half hour of staff time or part thereof	$38.00
Reproduction of items larger than A3 are charged case by case based on size, original format and physical condition. Charges will be notified and agreed before any reproduction is carried out.	

Boat sheds

Boat shed	Independent valuation on a square-metre basis

Cemeteries

Plot purchase and maintenance in perpetuity	
Child (1 to 12 years)	$705.00
Infant (under 1 year)	$155.00
Ashes	$630.00
Ashes garden, Taitā and Wainuiomata	$1,020.00
Memorial tree plots, Block 18	$1,025.00
Ponga trail, Block 19	$820.00
Interment fees	
Adult	$855.00
Child (1 to 12 years)	$555.00
Infant (under 1 year)	$155.00
Ashes	$115.00
RSA section	
Burial plot purchase	Free of charge
Burial interment fee	$855.00
Ashes plot purchase	Free of charge
Ashes interment fee	$115.00
Ashes interment (memorial wall)	$115.00
Disinterments	
Burial (body)[1]	$2,150.00
Ashes[1]	$215.00
Re-interments	
As for interment fees	
Seizure fee	$120.00
Special fees and charges	
Outside district fees[2]	$1,145.00
Outside district fee – children under 12[2]	$1,005.00
Outside district fee – RSA[2]	$1,145.00
Outside district fee – ashes[2]	$820.00
Casket larger than standard	$255.00
Extra depth (90cm)	$205.00
Weekend interment – casket	$440.00
Weekend interment – ashes	$215.00
Plaque/memorial fees	$85.00
Plot cancellation fee	$55.00
Transfer of exclusive right	$55.00
Breaking of concrete	Actual cost
Search fee: per entry (up to 30 minutes)	$25.00

1 These figures are indicative only; the actual cost may differ depending on the nature of the disinterment.

2 Applies to all plot purchases where the deceased has lived outside the city for the last five or more years. Reimbursement for unused plots is calculated at the rates originally paid for the plots.

Encroachment on Hutt City Council land

	2021/2022
Application fee (new applications)	$300.00
Application fee (alterations to existing use)	$300.00
Change to current licence holder	$100.00
Gardens[1]	$115.00pa
Garage (per car park)[1]	$128.00pa
Drainage reserve[1]	$57.50pa
Pavement[1]	$57.50pa
Commercial	Assessed by Council at a market rate

[1] Council is currently reviewing its Encroachment Policy, including the annual licence fees. The fees noted above for gardens, garage (per car park), drainage reserve and pavement are the current fees. Council reserves the right to alter the licence scope and fee in line with any future Encroachment Policy it adopts.

Engineering records and land information services

Print Size	80GSM Jetbond	95gsm coated
A0	$5.00	$8.50
A1	$2.50	$4.25
A2	$1.25	$2.15
A3	$1.00	$1.05
A4	$0.50	$0.50
Geographic information systems specialist's time (per hour)		$70.00

Environmental consents

Resource consents

All fees include GST and are payable under section 36 of the Resource Management Act 1991 (RMA).

Additional charges may apply (see below). Application fees cover the cost of processing your application only. Consultants' fees and costs of disbursements will also be additionally charged and invoiced when consent is completed.

After you start building, there may be charges to cover Council's monitoring costs, such as site visits, research, photos, communications and administration.

If your application is rejected, withdrawn or cancelled, a refund may be given based on the amount of time already spent on it.

Non-complying, discretionary, restricted discretionary, controlled	2021/2022
Pre-application meetings	First hour free. Additional staff time charged at hourly rates below. Consultants' actual time charged
Notified application – hearing required (includes up to 50 hours of processing and administration, and one hour monitoring) If application is required to be notified in a daily newspaper, an additional fee of $1,000.00 is required	$8,925.00
Notified application – no hearing required	$5,425.00
Limited notification (includes up to 30 hours of processing and administration and one hour of monitoring)	$6,125.00
Non-notified resource consent	$1,750.00
Non-notified resource consent – residential additions and alterations	$1,050.00
All additional processing by technician/graduate or intermediate resource consents planner, engineer, administration and monitoring (per hour)	$175.00
All additional processing by senior or principal resource consents planner or team leader/manager, senior/principal engineer (per hour)	$195.00
Hearing commissioner time to be recovered from applicants for time spent in hearings and deliberating (per hour)	Council commissioners: Chair $100.00 Members $80.00 Independent commissioners: Chair – actual cost Member of hearing panel – actual cost
Fast track – non-notified consents only – issued within 10 days (conditions apply; applications will be accepted on a case-by-case basis)	2 times normal fee (payment of twice normal initial fee at receipt of application: $350.00 per hour of additional processing time will be charged)
Fast track – non-notified consents only – issued within 5 days (conditions apply; applications will be accepted on a case-by-case basis)	3 times normal fee (payment of 3times normal initial fee at receipt of application: $525.00 per hour of additional processing time will be charged)
Boundary deemed permitted activities (includes up to 3 hours' processing time and administration)	$525.00
Marginal or temporary activity exemptions (includes up to 3 hours' processing time and administration)	$525.00

Subdivisions (including unit title, cross lease)	2021/2022
Pre-application meetings	First hour free. Additional staff time charged at hourly rates below. Consultants' actual time charged
Notified application – hearing required. If application is required to be notified in a daily newspaper, an additional fee of $1,000.00 is required	$9,275.00
Notified application – no hearing required	$6,650.00
Limited notification	$5,775.00
Subdivision consent including land use consent	$3,025.00
Subdivision consent including certificate under section 223 of the RMA	$2,625.00
All additional processing by technician/graduate or intermediate resource consents planner, engineer, administration and monitoring (per hour)	$175.00
All additional processing by senior or principal resource consents planner or team leader/manager, senior/principal engineer (per hour)	$195.00
Certificate under section 224 of the RMA (includes up to 3 hours' processing time by senior/team leader)	$585.00
Certificate under section 226 of the RMA (includes up to 6 hours' processing time)	$1,050.00
Section 241 and 243 RMA application (includes up to 6 hours' processing time)	$1,050.00
Rights of way (includes 6 hours' processing time)	$1,050.00
Rights of way sealing fee (includes up to 2 hours' processing time by senior/team leader)	$390.00
Hearing commissioner time to be recovered from applicants for time spent in hearings and deliberating (per hour)	Council commissioners: Chair $100.00 Members $80.00 Independent commissioners: Chair – actual cost Member of hearing panel – actual cost

Other fees	2021/2022
RMA section 139A existing use certificate application	$1,050.00
Certificate of compliance	$1,050.00
Outline plan or waiver	$1,225.00
RMA section 10 waiver, section 37 waiver, section 125 extension, section 126 cancellation, sections 127 and 128 review (non-notified)	$1,050.00
Certificate of use under the Sale and Supply of Alcohol Act 2012	$350.00
Any special inspections (per hour)	$175.00
Sealing fee (for urgent applications for registrable instruments)	$175.00
Certificate under Overseas Investment Act 2005	$495.00
Cost of disbursements, ie, venue hire, photocopying, catering, postage, public notification	Actual cost
Independent consultants, advisors, specialists (invoiced monthly)	Actual cost
Discharge or withdrawal of registrable instruments – legal costs plus officers' time (per hour)	$175.00

Other fees	2021/2022
Processing request for removal of building line (includes up to 1 hour of processing time)	$175.00 (additional time will be charged at $175.00 per hour; disbursements will be charged at actual cost)
Approval, variation or revocation of easements – legal costs plus officers' time (per hour)	$175.00
Bond preparation and/or release (includes 2 hours' processing time by senior/team leader)	$390.00 (additional time will be charged at $195.00 per hour; disbursements will be charged at actual cost)

Environmental Sustainability Initiatives	2021/2022
Eco design advisor home visit (2 hours)	Free of charge
Domestic solar hot water heating panels	Free of charge for up to 5 hours of initial processing and one monitoring inspection, after which standard charges for the category of consent will apply
Solar water heating systems	
Hot water systems, ie, wetbacks associated with wood pellet stoves or low-emission wood burners	
Hot water heat pump systems	
Homestar certified assessment	$1,500.00 for up to 8 hours' processing, then $170 per hour
All additional monitoring inspections	$170.00 per hour

Resource consent terms and late payment

Initial and additional fees

Fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced if additional time is spent processing requests and/or disbursements.

Terms of payment

Payment of additional fees is due by the 20th of the month following invoice processing.

Late payment will incur:

- an additional administrative fee (lesser of 10 per cent of the overdue amount or $300.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Building Consents

All fees include GST. If your application is withdrawn or cancelled, a refund may be given based on the amount of time already spent on it. Additional charges may apply.

Please note that the fees listed below are initial fees only. They include administration time, processing time and a specified number of inspections. They do not include any additional administration, processing or inspections, disbursements or consultant fees, or Building Research Association of New Zealand (BRANZ) and Ministry of Business, Innovation and Employment (MBIE) levies.

The BRANZ levy is $1.00 per $1,000.00 for works $20,000.00 and over, and the MBIE levy is $1.75 per $1,000.00 for works $20,444.00 and over. You will be notified of these additional fees after the process has been completed.

The building consent authority (BCA) accreditation levy is $25 for works $20,000.00 and over.

Total building consent Value of work	2021/2022
Pre-application meetings	First hour free – additional time charged at $175.00 per hour
Free-standing and inbuilt fire (includes 1.5 hours' processing and administration) Fast track – 5 days	$437.50
Minor works (minor drainage) (includes 2 hours' processing and administration)	Residential $525.00 Commercial $585.00
Standard garages (includes up to 2.25 hours' processing and administration) Fast track – 5 days	$743.75
<$5,000 (includes up to 2.75 hours' processing and administration)	Residential $831.25 Commercial $926.25
To $10,000 (includes up to 5 hours' processing and administration)	Residential $1,225.00 Commercial $1,365.00
To $19,999 (includes up to 5.5 hours' processing and administration)	Residential $1,487.50 Commercial $1,657.50
To $50,000 (includes up to 7 hours' processing and administration)	Residential $1,925.00 Commercial $2,145.00
To $100,000 (includes up to 8 hours' processing and administration)	Residential $2,275.00 Commercial $2,535.00
To $200,000 (includes up to 10 hours' processing and administration)	Residential $2,800.00 Commercial $3,120.00
To $300,000 (includes up to 11 hours' processing and administration)	Residential $3,150.00 Commercial $3510.00
To $500,000 (includes up to 12 hours' processing and administration)	Residential $3,500.00 Commercial $3,900.00
To $1,000,000 (includes up to 14 hours' processing and administration)	Residential $3,850.00 Commercial $4,290.00
Over $1,000,000 (includes up to 16 hours' processing and administration)	Residential $4,550.00 Commercial $5,070.00
Fast track – processed within 10 working days (conditions apply; applications will be accepted on a case-by-case basis)	2 times application fee (additional time will be charged at $350.00 per hour)
Fast track – processed within 5 working days (conditions apply; applications will be accepted on a case-by-case basis)	3 times application fee (additional time will be charged at $525.00 per hour)
Building consent for pool fence (includes up to 1 hour's processing and administration)	$350.00
Extension of time	$262.50
Owner supplied information	$175.00
Building Act Schedule 1 exemption – minor works including exemption for blown insulation (includes 2 hours' processing time)	$350.00 (additional time will be charged at $175.00 per hour)
Schedule 1 exemption – all others (includes 4 hours' processing time)	$700.00 (additional time will be charged at $175.00 per hour)
Notice to fix	$175.00

Other fees	
Restricted building work (for works $20,000.00 and over)	$87.50
BCA accreditation levy (for works $20,000.00 and over)	$40.00
Code compliance certificate processing fee (for works $20,000.00 and over)	$175.00
All additional processing and administration (per hour)	$175.00 Commercial $195.00
All additional inspection visits (per visit)	$175.00 Commercial $195.00
Amendment to building consent including B2 durability modification	$195.00 (additional time will be charged at $195.00 per hour)
Property Information Memorandum (PIM) (includes 3 hours' processing time)	$525.00 (additional time will be charged at $175.00 per hour)
Approved building consent Your approved consent will be sent electronically unless you state otherwise. A fee will apply if you request a hard copy.	
Minor works consent (hard copy)	$87.50
Residential consent (hard copy)	$175.00
Commercial consent (hard copy)	$175.00 (for the first hour + $175.00 per hour or part thereafter)
RMA Section 72 – building on land subject to natural hazards	Actual cost + $195.00
RMA Section 75 – building on 2 or more allotments	Actual cost + $195.00
Structural checking fee	Actual cost
Hard-copy lodgement fee; excludes free-standing and inbuilt fires, minor works and exemptions	$87.50
List of building consents – monthly (received or granted)	Available free on our website

Service connection application fees	
Wastewater	$100.00
Stormwater	$100.00
Water	$100.00
Certificate for public use	$390.00 (additional time will be charged at $195.00 per hour)

Certificate of acceptance	
Works under $100,000.00	$900.00 + normal building consent fee + levies for MBIE (additional processing time will be charged at the end of the process)
Works $100,000.00 and over	$2,600.00 + normal building consent fee + levies for MBIE (additional processing time will be charged at the end of the process)

Compliance schedule (CS)/building warrant of fitness (BWOF)	
BWOF registration: 1–2 specified system	$87.50 (first half hour; $175.00 per hour thereafter)
BWOF registration: 3–8 specified systems	$175.00 (first hour; $175.00 per hour thereafter)
BWOF registration: 9 or more specified systems	$262.50 (first 1.5 hours; $175.00 per hour thereafter)
BWOF/CS audit	$175.00 per hour
New CS or amendment to CS	$195.00 per hour (first hour; $195.00 per hour thereafter)
Notice to fix	$175.00 (first hour; $175.00 per hour thereafter)
Residential cable car	$87.50 (first half hour; $175.00 per hour thereafter)

Earthquake-prone buildings	
Extension of time	$175.00 (first hour; $175.00 per hour thereafter)
Exemption	$175.00 (first hour; $175.00 per hour thereafter)
Residential pools	
Pool audit inspection	$175.00
Pool re-inspection (1–3 items)	$87.50
Pool re-inspection (4–6 items)	$131.25
Pool re-inspection (7 or more items)	$175.00
Pools – receipt of Independently Qualified Pool Inspector (IQPI report	$87.50 (first half hour; $175.00 per hour therafter)
Notice to fix	$175.00 (first hour; $175.00 per hour thereafter)

Building consent terms and late payment

Initial fees and additional fees

Initial fees must be paid before applications are processed/ work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of payment

Payment of additional consenting, administration, disbursements and consultants' fees shall be paid before the application is issued. Additional inspection fees shall be paid before the code compliance certificate is issued.
Late payment will incur:

- an additional administrative fee (lesser of 10 per cent of the overdue amount or $300.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Pools late payment

If payment is not received by the 20th of the month following the date of the invoice, the following will apply:

- an additional administrative fee (lesser of 10 per cent of the overdue amount or $300.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

BWOF terms and late payment

Registration fees must be paid between the BWOF renewal date and the 20th of the following month.

If payment is not received by the 20th of the month following the renewal date of your BWOF, the following will apply:

- an additional administrative fee (lesser of 10 per cent of the overdue amount or $320.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

BWOF inspections terms and late payment

Terms of payment

Payment is to be made before the 20th of the following month.

Late payment

If payment is not received by the 20th of the month following, the following will apply:

- an additional administrative fee (lesser of 10 per cent of the overdue amount or $310)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Development contributions and financial contributions

Development and financial contributions are payable in relation to the subdivision and development of land. The amounts payable are described in Council's Development Contributions and Financial Contributions Policy (see p 100).

Building information	
Approved building permit and building consent information	Available free on our website
Request for building information sent by email	First half hour free; $87.50 per half hour thereafter
Request for building information hard copy	$1.00 per A4 $2.00 per A3
Plumbing and drainage plan	Available free on our website
Aerial photography	Available free on our website
A4 colour aerial photo	$1.00
A3 colour aerial photo	$1.00
Certificate of title	$20.00
Interests/document, eg, transfer, easement, covenant, lease	$20.00

Land Information Memorandum (LIM)

Initial fees and additional fees

Initial fees must be paid before applications are processed/ work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of payment

Payment of additional consenting, administration, disbursements and consultants' fees shall be paid before the application is issued. Additional inspection fees shall be paid before the code compliance certificate is issued.

Late payment will incur:

Residential property LIM	$370.00
Commercial property LIM (deposit – includes 5.5 hours' processing time)	$600.00
Additional processing time (per hour)	$175
Fast track – processed within 5 working days (conditions apply; applications will be accepted on a case-by-case basis)	$500.00

Completed LIM
Your LIM will be sent electronically unless you state otherwise. A fee will apply if you request a hard copy.

LIM/property information terms and late payment

Initial fees and additional fees

Fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of payment

Payment of additional processing, administration and disbursements shall be made before the application is issued.

Late payment will incur:

- an additional administrative fee (10 per cent of the overdue amount).
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

Environmental Health

Food Act 2014 Registration	80GSM Jetbond
Application for registration of food control plan (FCP) based on a template or model issued by MPI	$350.00 (includes 2 hours' processing time) $175.00 per hour for every extra hour of registration activities
Application for registration of a business subject to a plan or model for national programmes	$350.00 (includes 2 hours' processing time) $175.00 per hour for every extra hour of registration activities
Application for renewal of registration	$175.00 (includes 1 hour of processing time) $175.00 per hour for every extra hour of registration activities
Application for amendment to registration	$175.00 (includes 2 hours' processing time) $175.00 per hour for every extra hour of registration activities
Significant amendment to FCP	$175.00 (includes 2 hours' processing time) $175.00 per hour for every extra hour of registration activities
Food Act 2014 Verification	
Verification of an FCP based on a template or model issued by MPI	$175.00 per hour for all verification activities, including travel time
Verification of a plan or model for National Programme Three	$175.00 per hour for all verification activities, including travel time
Verification of a plan or model for National Programme Two or One	$175.00 per hour for all verification activities, including travel time
Cancellation of a verification within 3 days without acceptable reason	$175.00
Inability to verify an FCP or national programme at the scheduled time, or to carry out the verification due to the absence of key personnel, or the FCP or records not being available	$175.00 in addition to any time spent, at $175.00 per hour

Food Act 2014 Compliance	Fee	Timing of payment
Issue of improvement notice or notice of direction	$175.00 per hour of activity	Payable on invoice
Application for review of issue of improvement notice or notice of direction	$175.00 per hour of activity	$175.00 payable on application Remainder payable on invoice
All other services and compliance/monitoring activities for which a fee may be set under the Food Act; this includes follow-up visits to close out corrective actions, review of (successful) appeals/submissions to verification outcomes, surrender, suspension and revocation of registration	$175.00 per hour of activity	Payable on invoice
Other licences		
Travelling shops – no food	$175	
Hairdressers	$240	
Camping grounds	$310	
Hawkers (not including inside parks)	$175	
Permanent amusement devices	$175	
Mortuaries	$240	
Offensive trades	$240	
Appearance industries		
Appearance industry application registration fee	$250.00 (which includes up to 1 hour of inspection, administration and travel time)	
Registration fee for a combined hairdresser/appearance industry application	$350.00 (which includes up to 1.5 hours of inspection, administration and travel time)	
Additional time for registration/inspection and investigation of justified complaints under the Appearance Industries By-law	$175.00 per hour	
Additional charges		
FCP template and record blanks (photocopy and bound)	$30.00	
Replacement diary (photocopy and bound)	$30.00	
National programme guidance and record blanks (photocopy and bound)	$30.00	
Thermometer	$30.00	
Change of ownership (non-food premises)	$175.00	
General administration fee	$175.00 per hour	

Hard-copy application fee where no online/electronic option is available	$80.00
Noise control	
Seizure fee (stereo equipment)	$180.00 and $1.00 per day after the first month of storage
	$300.00 for any subsequent seizures from a property or equipment within a 6-month period and $1.00 per day after the first month of storage
Security alarms – daytime attendances	Time cost charge
Security alarms – after-hours attendances	Time cost charge
Consultancy and survey fee	$170.00 per hour
Alcohol licensing (set by by-law 2019 – apply from 1 January 2022)	
Special licences – application fees Class 1 Class 2 Class 3	 $1,092.50 $393.30 $120.15
Risk category – application fees Very low Low Medium High Very high	 $699.20 $1,158.05 $1,551.35 $1,944.65 $2,294.25
Risk category – annual fees Very low Low Medium High Very high	 $305.90 $742.90 $1,201.75 $1,966.50 $2,731.25
Temporary authority	$563.75
Managers' certificates/renewals (no change to fees set by regulation)	$316.25
Additional charges	
Public notice advertisement	$140.00

Gambling venue and board venue

Class 4 gambling venue and board venue applications	$350.00 (includes 2 hours' processing time) $175.00 per hour for every extra hour of processing the application

Environmental health terms and late payment

Initial fees and additional fees

Initial fees must be paid before applications are processed/work undertaken by Council. Further charges will be invoiced for disbursements and if additional time is spent processing the application.

Terms of payment

Payment of additional fees for work shall be paid by due date.

Late payment will incur:

- an additional administrative fee (lesser of 10 per cent of the overdue amount or $300.00)
- all costs and expenses (including debt collection or legal fees) associated with recovery of the overdue amount.

District Plan and Notices of Requirement

Requests for change to District Plan (deposit)	$6,000.00
All actual costs related to the proposed plan change, including Council officers' time, will be borne by the applicant as follows:	
• All work undertaken by Council officers in connection with the request for the change shall be charged against the deposit at	Administrative officer or intermediate/graduate planner – $175.00 per hour Senior/principal/team leader – $195.00 per hour
• All work undertaken by independent consultants, advisors and/or specialists in connection with the request for the change shall be charged at the actual costs plus disbursements against the deposit	
• Hearing commissioner time shall be recovered for time spent in hearings and deliberating (per hour)	Council commissioners: Chair $100.00 Members $80.00 Independent commissioners: Chair – actual cost Member of hearing panel – actual cost
• If the proposed change is notified publicly, advertising charges will be actual costs payable by the applicant	
• All information requested by Council shall be supplied at the applicant's cost	
Notice of requirement and alterations to notices of requirement (deposit)	$6,000.00
All actual costs related to the requirement, including Council officers' time, will be borne by the requiring authority as follows:	
• All work undertaken by Council officers in connection with the requirement shall be charged against the deposit at	Administrative officer or intermediate/graduate planner – $175.00 per hour Senior/principal/team leader – $195.00 per hour
• All work undertaken by independent consultants, advisors and/or specialists in connection with the requirement shall be charged at the actual costs plus disbursements against the deposit	
• Hearing commissioner time shall be recovered for time spent in hearings and deliberating (per hour)	Council commissioners: Chair $100.00 Members $80.00 Independent commissioners: Chair – actual cost Member of hearing panel – actual cost
• If the requirement is notified publicly, advertising charges will be actual costs payable by the requiring authority	
• All information requested by Council shall be supplied at the requiring authority's cost.	
Operative District Plan	
Electronic copy	The official, legal version of the District Plan is available online for viewing or printing free of charge
Complete, hard-copy printout in folders, provided by Council	$500.00
Text volume in folder	$250.00
A3 map volume in folder	$250.00

Landfills

All charges include government waste and emissions levies

General waste	2021/22
Cars and station wagons	$25.00
Vans, utilities, SUVs (four-wheel drives), small trailers (maximum refuse dimensions: 2.5m long, 1m high, 1.5m wide). Vehicles carrying over 300kg refuse weight will be charged by weight. Note: Combinations of vehicles (vans, utilities, small trucks and trailers) will cost the sum of their respective charges	$50.00
All other vehicles – cost per tonne	$161.00
All other vehicles – minimum charge	$80.50
Special wastes	
All vehicles – cost per tonne	$241.50
All vehicles – minimum charge	$120.75
Green waste	
Cars and station wagons	$15.00
Vans, utilities, SUVs (four-wheel drives), small trailers (maximum refuse dimensions: 2.5m long, 1m high, 1.5m wide). Vehicles carrying over 300kg green waste weight will be charged by weight. Note: Combinations of vehicles (vans, utilities, small trucks and trailers) will cost the sum of their respective charges	$35.00
All other vehicles – cost per tonne	$126.50
Tyres	
Disposal of more than 4 tyres (per tonne) regardless of vehicle type	$500.00
Minimum charge	$250.00
Polystyrene (prior approval required)	
Cost per tonne	$500.00
Minimum charge	$250.00

Libraries

Interloans (non-urgent) per request	$15.00
Interloans (urgent)	At cost
Lost/damaged items	Cost of the item at time of purchase by Hutt City Libraries
Rental collections	Vary according to format
Overdue charges	$0.50 per day, to a maximum of $10.00 per item No overdue charge for children's and teens' collection items
Borrower's card replacement (per card)	$5.00
Internet access and computer use	First 2 hours free with a library card each day; $1.00 per half hour thereafter

Littering infringement fees

Minor littering	$100.00

Minor littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier or owner: cigarette butts; wrappers/paper; chewing gum; small food waste; take-away food/drink containers; fish and chip papers; plastic drink bottle(s) and aluminium can(s); domestic/commercial waste in, or by, public litter bins; a single small bag of refuse at a volume no greater than 0.2m3.

Medium littering	$200.00

Medium littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier or owner: multiple small bags or a single large bag or a large box of refuse; small furniture items; small amounts of discard due to an insecure load from truck or trailer at a volume no greater than 0.5m3.

Major littering	$400.00

Major littering is defined as depositing in or on a public place or in or on private land without the consent of the occupier or owner: any large volume of household waste; green waste; commercial waste; car parts; large furniture items, three or more large rubbish bags, hazardous rubbish such as nappies, needles and sanitary pads, and any other litter as defined in the Litter Act 1979 not defined as minor or medium littering above or at a volume that exceeds 0.5m3.

Official information

The following charges shall apply for non-standard requests made under the Local Government Official Information and Meetings Act 1987.

A charge may be modified or waived at the discretion of a director where payment might cause the applicant financial hardship. Charges may also be modified or waived where this would facilitate good relations with the public, or assist the section, group or organisation in its work.

Charges will be notified and agreed with the requestor before any copying, scanning, collation or redaction is carried out.

Charges shall be paid in advance of receipt of information.

There is no charge for standard requests made under the Local Government Official Information and Meetings Act 1987.

No charges will apply where the information cannot be readily found, or for time spent deciding whether or not information will be released.

If the request is made by an identifiable natural person seeking access to any personal information about that person, such requests are subject to the Privacy Act 1993 and charges do not apply.

Reproduction fees	
Photocopying A3 or A4 – up to 20 pages	Free of charge
Photocopying A3 or A4 – over 20 pages	$0.20 per page
Scanning or copying of items larger than A3 are charged on a case-by-case basis based on size, original format and physical condition. Charges will be notified and agreed before any reproduction is carried out and will include a charge per half hour of staff time or part thereof and any direct costs incurred by Council in reproducing the image.	$38.00 per half hour of staff time
Substantial collation and redaction	
For requests that require substantial collation, scanning and/or redaction before release (non-standard), the following charges will apply:	
First hour of staff time	Free of charge
Charge per additional half hour of staff time or part thereof	$38.00

Parking

Council operates pay-and-display metered parking in the central business district (CBD) of Lower Hutt. It is also possible to pay for parking using the parking payment app, PayMyPark. Cars that have paid using PayMyPark do not display a ticket from the meter (instead, the warden checks whether there is a current payment against the vehicle's registration). However, the parking charges and rules remain the same.

The metered area is generally from Market Grove at the southern end of the CBD to Downer Street at the northern end, bounded by Cornwall Street and the Riverbank car park.

Meter charges are structured into three tariff tiers: HC2–HC4.

A small number of P15, P30 and P60 spaces are provided free of charge throughout the metered area for additional public convenience.

Mobility car parks are provided throughout the CBD at the prevailing metered tariff.

Saturday parking is free from fees within the CBD. Time restrictions (P120) apply on Saturday to the Green HC2 parking zone.

No fee or time restrictions apply on Sunday.

Hours of meter operation

Pay-and-display parking meters operate 9am–5pm Monday–Friday.

Tariff structure	
Shopper (Green HC2) Zone	$1.50 per hour 2-hour maximum parking duration Monday–Friday 9am–5pm Saturday P120 (no charge) Sunday and public holidays unrestricted
Commuter (Yellow HC3) Zone	$1.00 per hour $6.00 maximum daily charge No daily maximum parking duration Monday–Friday 9am–5pm Saturday, Sunday and public holidays unrestricted
Commuter (Orange HC4) Zone	Monday–Friday 9am–5pm $0.70 cents per hour $4.00 maximum daily charge Saturday, Sunday and public holidays unrestricted No daily maximum parking duration

Riverbank (Light Blue) Zone	Monday–Friday 9am–5pm $0.70 cents per hour $4.00 maximum daily charge Saturday 7am–2pm $2.00 per hour $4.00 maximum daily charge Sunday and public holidays unrestricted A monthly pass is available at $62.00 per month (reduced to $46.00 for December and January) No daily maximum parking duration

Other charges

Council Pay-and-display machines support alternative payments from mobile phone applications, via text or credit cards/PayWave when the network permits. A $0.50 per-transaction fee applies.

Council supports the use of SmartPark in-car meters for on-street areas where parking fees apply.

Council allows customers to pay through the PayMyPark smart phone app. If a customer pays for parking without an account (on a 'casual' basis), a $0.50 per transaction fee applies. If a customer creates and tops up a PayMyPark account, transaction fees apply only for the top-up transaction.

Reserved spaces: $15.00 per day for short-term applications are available from Parking Enforcement.

Construction and temporary traffic management exemptions are site-specific. Charges are assessed on a case-by-case basis.

Parking zones

Council has adopted the following zone structure. Small changes may be required from time to time as the CBD continues to develop.

Shopper (Green HC2) Zone

- High Street – Laings Road to Waterloo Road portion
- Queens Drive – Laings Road to Waterloo Road portion
- Laings Road – High Street to Queens Drive portion
- Bunny Street
- Margaret Street
- Waterloo Road – Queens Drive to High Street portion
- Stevens Grove parallel parks
- Knights Road – Bunny Street to Laings Road portion
- Queens Drive – Laings Road to Fraser Street portion
- Fraser Street
- High Street – Fraser Street to Laings Road portion
- Ward Street
- Market Grove north side
- Knights Road south side – Bloomfield Terrace to Myrtle Street
- Myrtle Street east side angle parking – Knights Road to Laings Road portion
- Andrews Avenue
- Dudley Street
- Daly Street – Margaret Street to Andrews Avenue
- Rutherford Street, south end
- High Street – Waterloo Road to Downer Street
- Cornwall Street – Pretoria Street to Kings Crescent
- Cornwall Street west side – Waterloo Road to Kings Crescent
- Pretoria Street west end within CBD
- Raroa Road – east of Cornwall Street
- Kings Crescent – Cornwall Street to Queens Drive
- Osborne Place
- Queens Drive – Kings Crescent to Waterloo Road
- Waterloo Road – Bloomfield Terrace to Queens Drive
- Bloomfield Terrace – Kings Crescent to Knights Road
- Dowse Car Park
- Laings Road – Queens Drive to Myrtle Street

Commuter (Yellow HC3) Zone

- Event Centre Car Park (Laings Road)
- Myrtle Street west side – Laings Road to Knights Road
- Stevens Grove angle parking portion
- Rutherford Street, south of Queens Drive
- Raroa Road – High Street to Cornwall Street
- Cornwall Street east side – Kings Crescent to Waterloo Road
- Cornwall Street – Waterloo Road to Knights Road
- Knights Road – Cornwall Street to Bloomfield Terrace
- Knights Road north side – Myrtle Street to Bloomfield Terrace
- Market Grove south side

Commuter (Orange HC4) Zone

Myrtle Street – west side only, Laings Road to Huia Street

Riverbank (Light Blue) Zone

Riverbank car park

Residents' parking schemes

Council has one residents' parking scheme in operation in High Street, Petone.

Infringements for metered parking	
Failure to display a valid pay-and-display ticket	$40.00
Overstaying, where the excess time is:	
less than 30 minutes	$12.00
more than 30 minutes	$15.00
more than 1 hour	$21.00
more than 2 hours	$30.00
more than 4 hours	$42.00
more than 6 hours	$57.00
Parking on a mobility car park without displaying a valid mobility pass card	$150.00

Electric vehicle charging stations

		If combined pricing ($/kwh and $/min)		If pricing based on time only ($/min)	
Type	Maximum cost per kwh	Maximum cost per minute when recharging	Maximum cost per minute when not recharging	Maximum cost per minute when recharging	Maximum cost per minute when not recharging
DC charging	$0.30	$0.30	$0.30	$0.60	$0.30
AC charging	$0.50	nil	$0.01	$0.50	$0.01

Kerbside rubbish and recycling

Additional/replacement/new wheelie bin for rubbish or green waste Payable for changes between 1 October 2021 and 31 March 2022	$100.00
Additional/replacement/new recycling service (wheelie bin and glass crate) Payable for changes between 1 October 2021 and 31 March 2022	$100.00
Additional/replacement new glass crate only Payable for changes between 1 October 2021 and 31 March 2022	$40.00
Additional/replacement/new wheelie bins for rubbish and recycling and glass crate Payable for changes between 1 October 2021 and 31 March 2022	$150.00
Upsize rubbish wheelie bin Payable for changes between 1 October 2021 and 31 March 2022	$100.00

Roading

Subdivision inspection and approval charges	
Boundary adjustment (1 hour of processing time)	$195.00
All processing or monitoring by engineer or administration (per hour)	$175.00
All processing or monitoring by senior/principal engineer (per hour)	$195.00

Council installed motor crossing charges*	Standard Fee	Admin/Inspection
Concrete dished crossing per square metre	$200.00m2	$160.00
Extensions to existing concrete crossings per square metre	$200.00m2	$160.00
Installation of concrete dished crossing in conjunction with road reconstruction work per square metre	$80.00m2	$160.00
Concrete block crossing/pipe crossing/'slot'-type crossing per square metre	$200.00m2	$160.00
Privately installed motor crossing charges		
Deposit for privately installed crossing ($300.00 refunded upon satisfactory completion of crossing)	$300.00	$200.00
Deposit for installation of a heavy-duty or extra-heavy-duty vehicle crossing ($500.00 refunded upon satisfactory completion of crossing)	$500.00	$200.00

* Traffic management costs are additional and will be advised at the time of quotation.

Corridor access request fees

Corridor access request – minor work (per request)	$175.00
Corridor access request – major work (per request)	$215.00
Corridor access request – project work (per request)	$1,075.00
Fee for texturising seal coat of a trench in carriageway	$7.00/m2
Re-inspections fee	$200.00 per inspection

Signboards

There are four signboards in Lower Hutt. Each side of a signboard is hired out by the week.

	Hire per week	Production per booking
Hire of all 4 signboards		
Side A	$520.00	$640.00
Side B	$440.00	$640.00

Hire of Cambridge Terrace, Naenae		
Side A	$100.00	$160.00
Side B	$100.00	$160.00
Hire of Ewen Bridge, Lower Hutt		
Side A	$140.00	$160.00
Side B	$140.00	$160.00
Hire of Kennedy Good Bridge, Avalon		
Side A	$140.00	$160.00
Side B	$100.00	$160.00
Hire of Waione Street Bridge, Seaview		
Side A	$140.00	$160.00
Side B	$100.00	$160.00

Sportsfields and Parks

Season charges

Council sets these charges to recover the percentage of operating cost identified below plus the full operating cost of ancillary services.

Recovery Rates Percentage	Level 1	Level 2	Level 3	Children	Training/ Winter
Sports	30%	20%	10%	5%	5%
Cricket/croquet	25%	15%	10%	5%	N/A

One-off or single-day hire

Charged at 10 per cent of the season charge per game or, where the game lasts three hours or longer, 15 per cent of the season charge per day.

Special Charges	
Events and commercial operators	By quotation
Picnic bookings (30 or more people)	$50.00
Filming per hour	$405 per day
Marquees for picnics/promotions – small	$100.00
– up to 50m2	$200.00
– up to 100m2	$405.00
– larger	$610.00
Weddings	$100.00
Hire of rooms, social facilities, training fields etc	By quotation
No. 1 field at Hutt Recreation Ground	By quotation

Note: Bookings for the season will take priority over casual bookings. A bond may be payable in certain circumstances.

Swimming pools

Casual rates	
Adult	$6.00
Child	$4.00
Over 65	$4.50
Spectator (non-supervising adult)	$2.50
Family pass (2 adults/four children)	$22.00
Concession rates	
Adult 10 swim	$51.00
Adult 30 swim	$126.00
Accessibility 10 swim (for people with a disability)*	$37.00
Child 10 swim	$32.50
Child 30 swim	$81.00
Over 65 10 swim	$36.50
Over 65 30 swim	$93.00
Pool hire	
Regular hire (25m per hour)	$67.00
Casual hire (25m per hour)	$123.50
Regular hire (50m per hour) – Wainuiomata Pool	$155.00
Casual hire (50m per hour) – Wainuiomata Pool	$260.00
Lane charge (25m per hour)	$23.00
School groups	
Group hire for lessons (per head)	$1.50
Meeting rooms	
Casual hire (per hour)	$24.00

* Carers or support people assisting receive free admission.

Venue hire

Community halls

2021/2022

Community rate: charge per hour	Main hall only or all facilities mon–fri	Main hall only or all facilities weekends and holidays	Meeting Room Mon–Fri	Meeting Room Weekends and Holidays
Moera, Eastbourne, Belmont, Hardwick-Smith Lounge, Treadwell	$18.50	$23.50	N/A	N/A
Wainuiomata	$18.50	$23.5	$13.20	$15.20

2021/2022

Commercial rate: charge per hour	Main hall only or all facilities mon–fri	Main hall only or all facilities weekends and holidays	Meeting Room Mon–Fri	Meeting Room Weekends and Holidays
Moera, Eastbourne, Belmont, Hardwick-Smith Lounge, Treadwell	$28.50	$33.50	N/A	N/A
Wainuiomata	$28.50	$33.50	$26.00	$30.00

2021/2022

Little Theatre				
Hours and sessions	Monday to Friday (Jan–Aug)	Weekends and public holidays (Jan–Aug)	Monday to Friday (Sep–Dec)	Weekends and public holidays (Sep–Dec)
One session (8am–1pm, 1pm–6pm or 6pm–11pm)	$154.00	$225.50	$168.00	$246.00
2 sessions in one day	$247.50	$336.60	$270.00	$367.20
3 sessions in one day	$371.80	$508.20	$405.60	$554.40
Per hour after 11 pm	$83.60	$117.70	$91.20	$128.40
Note: There is a 25% discount for community organisations.				
Technician		$69.00 hourly		
Minimum 3 hours Minimum 6 hours for bookings over 3 days				

2021/2022

Stadiums and community hubs

Walter Nash Centre	
1 court (per hour)	$75.00
2 courts (per hour)	$135.00
3 courts (per hour)	$200.00
4 courts (per hour)	$250.00
5 courts (per hour)	$300.00
Meeting rooms	
Small	$20.00
Medium	$35.00
Large	$50.00
Large combined	$100.00

* Carers or support people assisting receive free admission.

Koraunui stokes valley community hub		
Meeting rooms	Community	Commercial
Small (per hour)	$10.00	$15.00
Medium A (per hour)	$20.00	$20.00
Medium B (per hour)	$20.00	$20.00
Large A (per hour)	$30.00	$50.00
Large B (per hour)	$30.00	$50.00
Large combined (per hour)	$50.00	$100.00

Note: These are maximum charges.
These charges include AV for Large combined and Medium B.

Stormwater

Stormwater connection application fee	$100.00
Stormwater connection fee	Actual cost to approved contractors

Wastewater

Wastewater connection application fee	$100.00
Wastewater connection fee	Actual cost to approved contractors

Trade waste class	Consent fees	Consent + $165 if conditional consent required
Class 1: High risk	$1,660.00	$1,825.00
Class 2: Moderate risk	$840.00	$1,005.00
Class 3: Low risk	470.00	$635.00
Class 4: Minimal risk	$250.00	$415.00
Class 5: Minimal risk low flow	$125.00	N/A
Application fee	$95.00	
Re-inspection fee	$115.00	
Late payment additional fee	$100.00	
Transfer additional fee	$47.50	

Trade waste user charges	2021/22
Flow (per cubic metre)	$0.537 per m3
Total suspended solids	$1.165 per kilogram
Chemical oxygen demand	$0.408 per kilogram

Water

Water connection fee	$100.00
Fee for use of water by builders on unmetered industrial and commercial sites	$120.00
Charge for ordinary supply Class 2 water	
Minimum charge	
Normal users per cubic metre	
Up to 100,000m3	$2.60
In excess of 100,000m3	$1.86
Water supplied by hydrant	
Per cubic metre	$2.60
Minimum charge	$35.00

Section Seven

Ngā Whakamāramatanga

Definitions & Contacts

7

Ngā Whakamāramatanga
Definitions

These definitions are intended to define terms used in this Long Term Plan in plain English. For legal definitions see the Local Government Act 2002.

Term	Definition
Annual plan	A plan that describes the activities of the local authority, 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 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 • costs over the life of the asset are minimised.
Capital expenditure	Money spent on acquiring or building long-term Council assets.
Capital value	The value of a property, including land and improvements.
Community board	A local elected body set up under the Local Government Act. Community boards are consulted by Council and can represent community concerns to Council. Hutt City Council has three community boards: Eastbourne, Petone and Wainuiomata.
Community funding panel	A panel that provides funding support to local projects and initiatives. Community boards and funding panels receive a set amount of funding to allocate each financial year. Each Community Board and Community Funding panel receives 40 cents per resident within their boundaries. Hutt City Council currently has four community funding panels, in the Central, Eastern, Northern and Western Ward communities.
Community outcome	An outcome for the community that Council has identified as a priority.
Council-controlled organisation (CCO)	A company in which Council is at least a 50 per cent shareholder that independently manages facilities, delivers services and undertakes developments on behalf of the Lower Hutt community. Where necessary, Council funds these organisations.
Employee costs	The costs of all staff expenditure – 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	The year from 1 July to 30 June.
Forecast financial statements	A 10-year plan for Council's revenue and expenditure, cash flows and borrowing programme.
Land value	The value of land excluding any improvements.
Local Government Act 2002	The key legislation that defines the powers and responsibilities of local authorities like Hutt City Council.

Term	Definition
Long Term 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.
Maintenance costs	Money spent to keep the Council's assets in working condition, such as repairs and maintenance.
Ngāti Toa Rangatira	An iwi with historic and territorial rights over Te Awa Kairangi, Lower Hutt. Originally living in the Kāwhia area on the North Island's west coast, Ngāti Toa Rangatira (also known as Ngāti Toa) lands are now largely in the south-western North Island, centred around Porirua and the Kāpiti Coast. The northernmost point of the Ngāti Toa Rangatira rohe is considered to be Whangaehu, extending south on the west coast of the North Island and encompassing Te Moana o Raukawakawa (Cook Strait). In Te Waipounamu (the South Island), the rohe extends to the Arahura River, its southernmost point on the West Coast, and Kaikōura on the Eastern Coast.
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.
Statement of service performance	A measure that shows how well Council is doing in achieving the goals it has set for itself.
Rates	Funds collected by Council from levies on property. These are based on the capital value of the property, but the term is often used to also include targeted rates.
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. Currently The Long Term Plan and Annual Plan list 31 separate significant activities that fall within 12 groups of activities.
Supplier costs	Expenditure for the purchase of general goods and services.
Support costs	The internal allocation of expenditure incurred for running the Council that isn't attributable directly to other activities.
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.
User charges	Income to Council through fees paid by those who use specific services Council provides.

Whakapā mai
Contacts

Contact Council

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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 jo.miller@huttcity.govt.nz

Contact details for our Corporate Leadership Team are available on Council's website: huttcity.govt.nz/management

Contact the Mayor or any councillor

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Deputy Mayor Tui Lewis
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Chris Milne
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Phone: 04 586 3890
Mobile: 027 442 2708

Andy Mitchell
Eastern Ward Councillor
Email: andy.mitchell@huttcity.govt.nz
Mobile: 021 136 1589

Shazly Rasheed
City Wide Councillor
Email: shazly.rasheed@huttcity.govt.nz
Mobile: 021 266 4822

Naomi Shaw
City Wide Councillor
Email: naomi.shaw@huttcity.govt.nz
Mobile: 021 537 068

Leigh Sutton
Northern Ward Councillor
Email: leigh.sutton@huttcity.govt.nz
Phone: 04 563 5184
Mobile: 027 306 8362

Visit our libraries

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

Moera Community Library
Address: 175 Randwick Road, Moera
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

Stokes Valley Community Library
Address: Koraunui Stokes Valley Community Hub, 186 Stokes Valley Road, Stokes Valley
Phone: 04 562 9050

Taitā Community Library
Address: Walter Nash Centre, Taine Street, Taitā
Phone: 04 567 2767

Wainuiomata Community Library
Address: Queen Street, Wainuiomata
Phone: 04 564 5822

Visit our museums

The Dowse Art Museum
Address: 45 Laings Road, Lower Hutt
Phone: 04 570 6500

Petone Settlers Museum
Address: The Esplanade, Petone
Phone: 04 568 8373

Visit our 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: Moohan Street, Wainuiomata
Phone: 04 564 8780

Visit our community hubs

Walter Nash Centre
Address: 22 Taine Street, Taitā
Phone: 04 560 1090

Koraunui Stokes Valley Community Hub
Address: 186 Stokes Valley Road, Stokes Valley
Phone: 04 562 9050

Wainuiomata Community Hub
Address: 1A–1C Queen Street
Phone: 04 564 5822

Section Eight

Independent Auditor's report

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Independent Auditor's report

To the reader:

Independent Auditor's report on Hutt City Council's 2021-31 long-term plan

I am the Auditor-General's appointed auditor for Hutt City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (plan) to include the information in Part 1 of Schedule 10 of the Act. Section 94 of the Act requires an audit report on the Council's plan. Section 259C of the Act requires a report on disclosures made under certain regulations. I have carried out this work using the staff and resources of Audit New Zealand. We completed our report on 30 June 2021.

Opinion

In our opinion:

- the plan provides a reasonable basis for:
  - long-term, integrated decision-making and co-ordination of the Council's resources; and
  - accountability of the Council to the community;
- the information and assumptions underlying the forecast information in the plan are reasonable; and
- the disclosures on pages 160 to 161 represent a complete list of the disclosures required by Part 2 of the Local Government (Financial Reporting and Prudence) Regulations 2014 (the Regulations) and accurately reflect the information drawn from the plan.

This opinion does not provide assurance that the forecasts in the plan will be achieved, because events do not always occur as expected and variations may be material. Nor does it guarantee the accuracy of the information in the plan.

Emphasis of matters

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

Uncertainty over three waters reforms

Page 10 outlines the Government's intention to make three waters reform decisions during 2021. The effect that the reforms may have on three waters services provided is currently uncertain because no decisions have been made. The plan was prepared as if these services will continue to be provided by the Council, but future decisions may result in significant changes, which would affect the information on which the plan has been based.

Uncertainty over the three waters asset renewals forecasts

Pages 31 and 113 outline that the Council continues to improve its asset condition information. The Council primarily uses aged based information to forecast its three waters asset renewals, which means there is a higher degree of uncertainty about how the Council prioritises its investment needs.

Uncertainty over the delivery of the capital programme

Page 30 outlines that the Council is proposing to spend $1.5 billion on capital projects over the next 10 years. Although the Council is taking steps to deliver its planned capital programme there is uncertainty over the delivery of the programme due to a number of factors, including the significant constraints in the construction market. If the Council is unable to deliver on a planned project, it could affect intended levels of service.

Basis of opinion

We carried out our work in accordance with the International Standard on Assurance Engagements (New Zealand) 3000 (Revised) *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*. In meeting the requirements of this standard, we took into account particular elements of the Auditor-General's Auditing Standards and the International Standard on Assurance Engagements 3400 *The Examination of Prospective Financial Information* that were consistent with those requirements.

We assessed the evidence the Council has to support the information and disclosures in the plan and the application of its policies and strategies to the forecast information in the plan. To select appropriate procedures, we assessed the risk of material misstatement and the Council's systems and processes applying to the preparation of the plan.

Our procedures included assessing whether:

- the Council's financial strategy, and the associated financial policies, support prudent financial management by the Council;
- the Council's infrastructure strategy identifies the significant infrastructure issues that the Council is likely to face during the next 30 years;
- the Council's forecasts to replace existing assets are consistent with its approach to replace its assets, and reasonably take into account the Council's knowledge of the assets' condition and performance;
- the information in the plan is based on materially complete and reliable information;
- the Council's key plans and policies are reflected consistently and appropriately in the development of the forecast information;
- the assumptions set out in the plan are based on the best information currently available to the Council and provide a reasonable and supportable basis for the preparation of the forecast information;
- the forecast financial information has been properly prepared on the basis of the underlying information and the assumptions adopted, and complies with generally accepted accounting practice in New Zealand;
- the rationale for the Council's activities is clearly presented and agreed levels of service are reflected throughout the plan;
- the levels of service and performance measures are reasonable and reflect the main aspects of the Council's intended service delivery and performance; and
- the relationship between the levels of service, performance measures, and forecast financial information has been adequately explained in the plan.

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

Responsibilities of the Council and auditor

The Council is responsible for:

- meeting all legal requirements affecting its procedures, decisions, consultation, disclosures, and other actions relating to the preparation of the plan;
- presenting forecast financial information in accordance with generally accepted accounting practice in New Zealand; and
- having systems and processes in place to enable the preparation of a plan that is free from material misstatement.

We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality control

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the independence and ethical requirements of Professional and Ethical Standard 1 issued by the New Zealand Auditing and Assurance Standards Board; and
- quality control requirements, which incorporate the quality control requirements of Professional and Ethical Standard 3 (Amended) issued by the New Zealand Auditing and Assurance Standards Board.

Other than our work in carrying out all legally required external audits, we have no relationship with or interests in the Council.

Andrew Clark

Andrew Clark
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand

AUDIT NEW ZEALAND
Mana Arotake Aotearoa