



Te Kaunihera o
Te Awa Kairangi ki Uta
Upper Hutt City Council

Mahere Pae Tawhiti
LONG TERM PLAN
2024 - 2034

The background of the page is an aerial photograph of a river flowing through a dense forest. A wooden boardwalk or bridge crosses the river. The image is overlaid with several thin yellow diagonal lines that create a grid-like pattern across the page.



Mahere Pae Tawhiti

Long Term Plan 2024 – 2034

Adopted: 27 June 2024

Operative from: 1 July 2024

Nau mai Welcome

Kua auahatia tēnei Mahere Pae Tawhiti 2024 – 2034 (Mahere) e te nui o ngā wero ahumoni, me te aro tonu anō ki te ara e whāngaia ana tātou kia manawa tītī, kia tino pai ai te noho a te tangata e koni ahi ana i Te Awa Kairangi ki Uta.

Ko te Mahere tētehi o tā mātou tino pukapuka, e arataki ana i ngā mahi a te Kaunihera, i ngā utu whakahaere, me pēhea hoki te whakaea i aua utu.

Kua uaua te whakawhanake i tēnei Mahere, kua uaua hoki ngā whakatau i kōwhirihiā e te Kaunihera.

E mātau pū ana mātou i ngā kano pēhanga ahumoni. Nā te nui o ngā utu noho, o ngā pāpātanga huamoni, o ngā pikiutu tikipū, o ngā utu penehini e aupēhi nei, e aupōuri nei te tini tāngata.

Ehara tēnei i te mea hou. Kia aupēhi nei te ōhanga ā-motu i ngā wero nui, ka whakaaweawetia ngā kaunihera puta noa i te motu.

Nā hēnei tūāhuatanga, ka whakatakoto tā tātou mahere i ngā aronga matua e toru hei te tekau tau e heke mai nei: kia taurite i ngā puka kāute; kia whakangao i ngā pūtea ki ngā pou pou hapori; kia hoki ki ngā tūāpapa ratonga ka tika.

Kua āta whakaarotaketia ngā whakahaerenga mō te Kaunihera, ngā ratonga, ngā kaupapa mahi hoki kia mārāma pūrangiaho ai kei hea ngā wāhanga ka iti ake, ka tārewa rānei ngā utu.

Ko ngā whakaaroaro a te hapori kei te pito o ngā whakatau a te Kaunihera. Me taurite aua whakaaro ki hō mātou haepapa ahumoni, ki hō mātou herenga ture, ki ngā tūāpapa ratonga e tika ana mō te hapori.

This Long Term Plan 2024 – 2034 (LTP) has been shaped by the economic challenges we face, and the need to build financial resilience to ensure Upper Hutt remains a great place to live, work, and play.

As one of our most important documents, the LTP outlines what Council will do, how much it will cost, and how it will be funded.

Developing this plan has been a challenging process, which required tough decisions to be made.

We recognise that our community is under financial pressure. The high cost of living, interest rates, inflation, insurance, and fuel prices are causing financial strain for many.

We are not alone. New Zealand's economy is facing significant challenges, which have impacted councils throughout the country.

For these reasons, our plan for the next ten years is focused on three key priorities: balancing the books; maintaining our infrastructure; and a back-to-basics approach to our services.

We thoroughly reviewed Council's structure, services, and projects to find areas where spending could be reduced or deferred.

Our communities' views are an important consideration in Council's decision-making. These views must be balanced alongside meeting our financial responsibilities, legislative requirements, and deliverable levels of service.

Ka whakatakina te uiuinga Mahere i te 2 o ngā rā o Āperira ki te 12 o Mei i tēnei tau. I whakahokia mai ngā tāpaetanga kōrero e 631, ā, ka tuku kōrero whakamārama ngā tāngata 68 i hā rātou tāpaetanga i ngā whakawā e toru i te marama o Mei.

Ko te nuinga o ngā tāpaetanga kōrero e hāngai ana ki rautaki ahumoni e whakahaere ana i tēnei Mahere, ki te pikitanga hoki i ngā tāke kaunihera.

Ahako te iti o ngā tāke kaunihera i ngā rā o mua, tē taea e te Kaunihera te pupuru tonu ki tērā mahere ahumoni kei hē hō tātou pou pou hapori, hō tātou ratonga hoki.

Ko ngā tāke kaunihera te whiwhinga pūtea matua a te Kaunihera. Kia ea ai ngā takohanga ahumoni, ngā tūāpapa ratonga hoki, me piki rawa ngā tāke kaunihera i ngā tau ki muri tata nei o tēnei mahere.

Ka toka ngā pae tāke kaunihera nā runga i ngā herenga tahua kia ea ngā utu o ngā kaupapa mahi matua a te Kaunihera, kia tika ngā pae pūtea taurewa, kia ea hoki ngā utu huamoni.

Ka 19.93% te piki a te nuinga o ngā tāke kaunihera hei te tau tuatahi.

Hei urupare i ngā tāpaetanga kōrero, ka heke ngā pikitanga rēti ki te 13.89% hei te tau tuatoru. E 8.96% te toharite o ngā pikitanga tāke kaunihera mō te tekau tau o tēnei Mahere.

Ahako te piki a ngā tāke kaunihera, kei te iti ake ngā tāke kaunihera o Te Awa Kairangi ki Uta i nuinga o ngā rēti puta noa i te motu.

The LTP consultation ran from 2 April to 12 May this year. We received 631 submissions and 68 people spoke about their submissions over three hearing dates in May.

There was strong feedback through submissions in response to the financial strategy driving this LTP, and the resulting rates increases.

While rates in Upper Hutt have been low historically, it is no longer financially viable to keep them at the level they have been without our infrastructure and facilities suffering.

Rates are Council's main source of income. To meet our financial commitments and provide the agreed levels of service, we must significantly increase rates in the early years of this plan.

The level rates are set at is based on the funding required to deliver Council's core activities, maintain appropriate borrowing levels, and fund interest costs.

On average, rates will increase by 19.93% in Year 1.

In response to submissions, we've found a way to drop the Year 3 rates increase to 13.89%. The average rates rise over the 10 years of the LTP will now be 8.94%.

Despite the increases, rates in Upper Hutt will remain among the lowest in New Zealand.

Ko hētehi atu o ngā tino kaupapa i whakahoki kōrero mai koutou ko te taunaki i tō mātou whakangao i ngā pūtea ki ngā poupu hapori, i ngā kaupapa mahi matua hoki a te Kaunihera. Tōna tikanga, i whakamanahia e koutou ngā whakaarotau matua a tēnei Mahere.

Nā hō koutou tuku kōrero whakamārama, ka toka te whakatau a te Kaunihera kia whakaiti i ngā pūtea tautoko mō ngā wāhanga mahi e rima, mō te nuinga hoki o ngā pūtea karāti.

Kua āta whakaarohia e mātou te whakangao i ngā pūtea ki ngā tūāhanga wai, ka neke atu i te 40% o tā mātou whakapaunga moni whiwhi.

Ka utua tonutia e te Kaunihera ngā karāti tautoko hapori, ā, ka whakahoki anō i ngā pūtea tautoko mō ngā whakatairanga ā-tāone, mō ngā taiopenga hoki hei te tau tauwhā o tēnei Mahere.

Ka nui hō mātou mihi ki a koutou kua whai wā ki tuku kōrero whakamārama i hō koutou whakaaro, ki te mahi ngātahi hoki kei tō te Kaunihera taha kia uruparea ngā wero nui o te wā.

Kua ngākau titikaha mātou ki tēnei mahere e whakatakotohia ana te ara tika hei hikoinga mā tātou ki tō tātou āpōpō.

Key areas of submission feedback also included support for a focus on infrastructure and Council's core activities. This confirmed to us that we were on the right track with the priority areas in this Long Term Plan.

After hearing your feedback, Council confirmed most of the consultation proposals to reduce funding for five activity areas and most existing contestable grants.

We are proceeding with a realistic level of investment in our water services, which is increasing to more than 40% of our total spend.

It was also decided to continue funding community grants and to reinstate increased funding for the city marketing and events from Year 4 of the LTP.

We appreciate the time taken by members of the community to give their views and thank them for working with us on the unprecedented and difficult issues we are dealing with.

We are committed to this plan, which will provide a resilient pathway for our vibrant, green, and connected city to continue to grow for generations to come.



A handwritten signature in blue ink that reads "Wayne Guppy".

Wayne Guppy
Koromatua | Mayor

A handwritten signature in blue ink that reads "Geoff Swainson".

Geoff Swainson
Te Tumu Whakarae | Chief Executive

Pūrongo a te Kaitātari Kaute Motuhake Independent auditor's report (opinion)

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

To the reader:
Independent Auditor's Report on
Upper Hutt City Council's 2024-34 long term plan

I am the Auditor-General's appointed auditor for Upper Hutt City Council (the Council). The Local Government Act 2002 (the Act) requires the Council's long-term plan (the 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 27 June 2024.

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 253 to 255 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 and risks over planned renewals of three waters assets

Page 176 outlines that the Council cannot fund all the investment required in three waters assets over the next 30 years. The Council's proposed level of funding for renewals over the 10 years of the plan has therefore been capped by what it considers to be affordable.

Page 176 outlines that the Council's forecasting for its three waters assets is primarily based on the age of existing assets. Using mostly age-based information creates uncertainty over which assets to prioritise for renewal, the timing thereof, and the forecast amounts required, resulting in a risk of asset failure and reduced levels of service.

To reduce this risk, the Council will prioritise expenditure on maintaining levels of service and to continue to collect better information about its underground assets.

Uncertainty over the delivery of the capital programme

Page 150 outlines that the Council is proposing a significant increase in its capital programme. While the Council has put in place a number of initiatives, there is an inherent level of uncertainty and risk that the Council may not be able to deliver on the programme, especially when it has increased substantially. The Council notes the potential impacts of not achieving the capital programme, such as not meeting planned levels of service, or greater costs in the long term.

Uncertainty over the value of three waters assets

Page 145 outlines that the Council is in the process of obtaining an independent valuation of its three waters assets in preparation for its 2024 financial statements. The valuer's work will not be completed until after the long-term plan is adopted. The Council has assessed the level of uncertainty over the estimated asset revaluation amounts included in its prospective financial statements, as high. Significant movements in the values would affect future depreciation charges and, as a consequence, rates.

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 estimates 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.

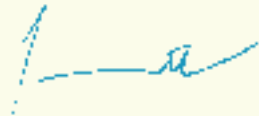
We are responsible for expressing an independent opinion on the plan and the disclosures required by the Regulations, as required by sections 94 and 259C of the Act. We do not express an opinion on the merits of the plan's policy content.

Independence and quality management

We have complied with the Auditor-General's:

- independence and other ethical requirements, which incorporate the requirements of Professional and Ethical Standard 1 International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand) (PES 1) issued by the New Zealand Auditing and Assurance Standards Board. PES 1 is founded on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behaviour; and
- quality management requirements, which incorporate the requirements of Professional and Ethical Standard 3 Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (PES 3) issued by the New Zealand Auditing and Assurance Standards Board. PES 3 requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Other than our work in carrying out all legally required external audits, we have carried out engagements in the areas of a limited assurance engagement related to the Council's debenture trust deed, which is compatible with those independence requirements. Other than these engagements, we have no relationship with, or interests in, the Council or its subsidiaries and controlled entities. We have no relationship with or interests in the Council or any of its subsidiaries.



John Whittal
Audit New Zealand

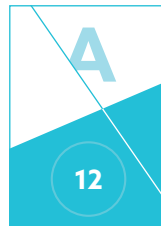
On behalf of the Auditor-General, Wellington, New Zealand

Te whakamahi i tēnei mahere

Using this document

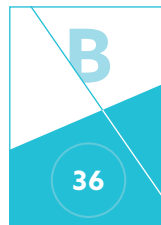
This Long Term Plan is divided into a number of sections. We have described each of these sections below. Each section has its own cover page and table of contents. Subsections, such as strategies and policies, may also have additional tables of contents.

SECTION A
Whakarāpopototanga
Overview



This section provides an overview of this Long Term Plan—the overarching outcomes, drivers, and feedback that have informed the development of this plan.

SECTION B
Ngā manahau whakatōpū
Groups of activities



This section provides detail of the activities and services provided by Council—the key deliverables, how we measure performance, and the costs and funding required for our activities.

SECTION C
Ngā whakapae me ngā
rautaki me ngā ahumoni
Assumptions, strategies
and financials



This section details how Council proposes to manage the funding it receives and spends on its operations throughout the Long Term Plan period. It also outlines how Council will perform against legislated benchmarks.

SECTION D
Ngā kaupapa here
Policies



This section includes policies that have guided our planning and decision-making as we developed this Long Term Plan.

SECTION E
Ērā atū pārongo
Other information



This section includes information about Upper Hutt, the City Council, and a glossary of terms.