



Responses to the consultation on the Long Term Plan 2024 – 2034 (LTP)

The LTP Consultation Document (and addendum) provided a summary of Council's proposals and the impact they would have on expenditure and revenue sources. It also provided answers to key questions, and process details, to encourage and enable community engagement.

The consultation period ran from 2 April to 12 May 2024.

A total of 631 submissions were received within the submission period, and 1 late submission.

The below information sets out Council's responses to the consultation items and topics of feedback.

Strategic direction

Rates increases

Rates are Council's main source of income.

While rates in Upper Hutt have been among the lowest in New Zealand for some time, it was no longer financially viable to keep them at the level they have been without our infrastructure and facilities suffering.

LTP 2024 – 2034 proposed a back-to-basics approach that delivers core activities, maintains infrastructure, and builds financial resilience.

This means having to pay for everyday costs today, not later. The first three years of LTP 2024 – 2034 will see an average annual rate increase of 17.92%. This creates an average rate increase of 8.96% over the 10 years.

In response to community feedback, we've adjusted the rates increase in Year 3 to 13.89% and Year 4 to 9.72% (from the proposed 19.88% and 5.67% respectively) with the use of cash reserves, and reprofiling and re-forecasting of costs.

Infrastructure programme and funding

Ratepayer affordability has historically heavily influenced the timing of infrastructure funding.

For LTP 2024 – 2034, Council gave equal weighting to debt levels to fund infrastructure and the affordability of rates.

The forecast capital investment is below what is recommended or needed due to affordability constraints. There will be a level of deferred infrastructure expenditure in Years 11 – 20 (of the Infrastructure Strategy) which, under the current funding model, is difficult to afford.

This approach does come at a cost, as there is a greater risk of asset failure (such as water leaks and blockages or road damage) and more reactive maintenance may be needed.

The majority of the projects in this plan have been consulted on and funded in previous Long Term Plans (2018 and/or 2021).

The exception to this is the mandated kerbside recycling collection. This is included because we expect it to be legislated by the Government from 2027 onwards.

The largest components of the infrastructure programme are core asset renewals across water and transport assets, driven by Council’s required asset management planning. Any items identified as renewals are core infrastructure asset replacements (mostly near or at their end of life) and are not discretionary projects.

Back to basics to reduce operation costs

LTP 2024 – 2034 is focused on core activities, reducing both overall costs and some services in non-core activities.

Council has changed the funding or timing of many smaller operational projects and reprioritised some capital projects to limit the rates increase as much as possible.

In addition to this, Council is undertaking an organisational review and restructure to further reduce operating costs.

Consultation proposals and matters

Activation activity reduction

Council appreciates submitters’ comments regarding the work of Activation and comments supporting specific events such as *Floorball*, *UPLAY*, and the popularity of the *Bike the Trail* event. The need for Council to facilitate, empower, and enable community groups to deliver in the sport, recreation, leisure, and play space is noted.

At a reduced scale, Activation will deliver less directly and will focus on empowering and enabling sport, recreation, and physical activity providers in the community to deliver to the community.

City marketing and events activity and grants reduction

Council appreciates submitters' comments regarding our marketing and events work and the value of promotion of the city and vibrancy in it.

At a reduced scale for the next three years, we will continue to deliver core Council events (ANZAC Day, Matariki, and the Santa Parade), support local events and business ventures through social channels and a new promotional microsite, and continue creation of marketing material to promote Council activities for the community.

Community Development activity and grants reduction

Council appreciates submitters' comments regarding the work of the Community Development Team.

Submitters comments on Community Grants and the impact that no grant funding from Council would have on community groups is noted. Council has decided to retain this funding (\$140,000 per year) and review the disbursement policy for it.

Economic Development activity and grants reduction

Council appreciates submitters' range of comments regarding the work of the Economic Development activity. At a reduced scale, we will continue providing business support to our existing business community and work to maintain our current economic activity base.

Council does not control, and has limited influence over, private property and businesses operating in the city centre.

Sustainability projects and initiatives activity and grants reduction

Submissions are noted as stating a range of views, some on the importance of sustainability, climate change, and the environment—including consideration for future generations.

Council will focus on organisational sustainability where we have the biggest control and influence. A key target, stemming from the adoption of our Sustainability Strategy, is to become a carbon neutral organisation by 2035. This includes continued reporting of our greenhouse gas emissions.

We acknowledge submissions on the impact and value of the grants funding to date.

Water services investment level

Submissions are noted and submitters thanked for their overarching support to fix the leaks, invest in these key community assets using good asset management practices, and deliver the three waters work programmes—ensuring we are getting good value for money from Wellington Water for what we have invested.

Submitters' range of views on the merit of water meters is also noted. Feedback relating to changes to how water services are delivered (including the use of local providers or in-house services) require wider consideration under the Government's *Local Water Done Well* policy, for which planning is currently underway.

Revenue and Financing Policy changes including differentials

The Revenue and Financing Policy includes the methodology proposed for how Council activities are funded including rates funding requirements but does not determine the actual level (dollar values) of that rate funding requirement.

The majority of feedback on the policy focused on the proposed annual percentage rates rises, rather than on the methodology being proposed. The general feedback received is noted.

In reply to submissions and feedback, the Forestry differential factor will be implemented from 1 July 2025.

Rates Remission and Postponement Policies

Submissions are noted and submitters are thanked. The policy provides an important mechanism for Council to facilitate rates remission and/or postponement where justified and within the policies' scope, including the new provisions relating to financial hardship.

Significance and Engagement Policy

Submissions are noted and submitters are thanked.

Development and Financial Contributions Policy

Submissions are noted and submitters are thanked. It is clear through the submissions that there is a range of understanding, as well as views, regarding the use of development contributions as a funding tool and on the policy itself.

Performance framework

Submissions are noted and submitters are thanked. One minor change was made following consultation to increase the target for Economic Development activity measure 25 from 50% to 75%.

Schedule of Fees and Charges

Submissions are noted and submitters are thanked. It is clear through the submissions made on this topic that there is a range of views on the fees and charges, both as a funding mechanism and the levels that they are set at.

Council reviews its fees and charges annually, and will consider some feedback received on increasing user-pays funding in the next review for 2025 - 2026.

Funding requests

- Wellington Free Ambulance
- Upper Hutt Citizens Advice Bureau
- Victoria University of Wellington and NZ Symphony Orchestra
- Hutt Valley Chamber of Commerce
- Pest Free Upper Hutt

Council appreciates submissions received from organisations providing a range of valuable services and contributions to the community.

In this difficult, financially constrained environment, Council is unable to support the funding requests made through the Long Term Plan submissions.

Council has decided to retain its Community Grant funding of \$140,000 per year to support community groups and organisations, and to review the current grants policy to support achieving its desired outcomes with the grants.

Long Term Plan consultation material

Submitters' comments on the consultation material are acknowledged. Where appropriate feedback on elements of the format and content of the Consultation Document and Supporting Information will be incorporated in improvements for future LTP projects.

The LTP, and its consultation, are legislated processes with specific requirements that councils must adhere to. Councils are required to prepare a Consultation Document containing the key proposals planned for implementation over the duration of the LTP.

The Consultation Document is prohibited from having full drafts of any policy or strategy attached to it—in order to keep it concise. The Consultation Document and related information are required to be audited, both for accuracy and to be 'fit for purpose' for consultation.

Council has followed local government sector best practice guidance in its LTP process and consultation.

Other matters raised in submissions

Education about rural road safety

Submission comments are noted. There is an ongoing programme of rural focused maintenance, renewals, and high priority rural road safety projects identified in the LTP, commencing in Year 1.

H₂O Xtream upgrade project finances and history of decision-making

The [H₂O Xtream upgrade project webpage](#) has information on the history and evolution of the project, including three rounds of consultation in 2018, 2021, and 2022.

It is the fourth most viewed content page on Council's website (as of July 2024). Project reporting occurs on a regular basis to Council's City Services and Finance and Performance committees.

Consideration regarding the H₂O Xtream hydrotherapy pool

The learn-to-swim programmes and hydrotherapy pool will ensure that H₂O Xtream provides a comprehensive aquatic offering to all sectors of the community.

It has been included in the design and consultation on the project since 2018.

All of the underground services for the addition of this pool to the facility in the future have been installed as part of the current project work.

The addition of this pool could be removed from the current LTP and considered within a future LTP consultation and deliberation.

Representation Review

Submitters' comments on the number of elected members are noted. This is out of scope for the LTP. Council is currently undertaking a Representation Review and will consult with the community on a representation proposal which sets out the number of elected members and other representation matters.

Clarity on what constitutes business as usual (as opposed to 'vanity projects')

'Business as usual' includes core asset maintenance and renewals with a number of necessary capital projects, including planning and preparation for those projects. Council's asset management planning takes into account changing expectations and levels of service, and some projects that address these may be perceived as discretionary (for example playground upgrades).

Fergusson/Gibbons/Main and Fergusson/Ward/Whakatiki intersection projects

Improvements to these intersections have been proposed for some years (included in LTPs since 2012 and 2015). They are subject to completion of business case and design work, confirmation of external funding (NZTA) and traffic growth demands.

Operational decisions that sit with the Chief Executive

Decisions regarding the organisation, including staffing, are operational and sit with the Chief Executive, not Council's elected members.

An explanation in the Long Term Plan document of the increased financial cost between the last two Long Term Plans

The overview section of the LTP document sets out the key factors and considerations driving this plan, the high-level rationale for Council's decisions, and two new 'waterfall' graphs showing how costs have increased since the 2021 LTP.