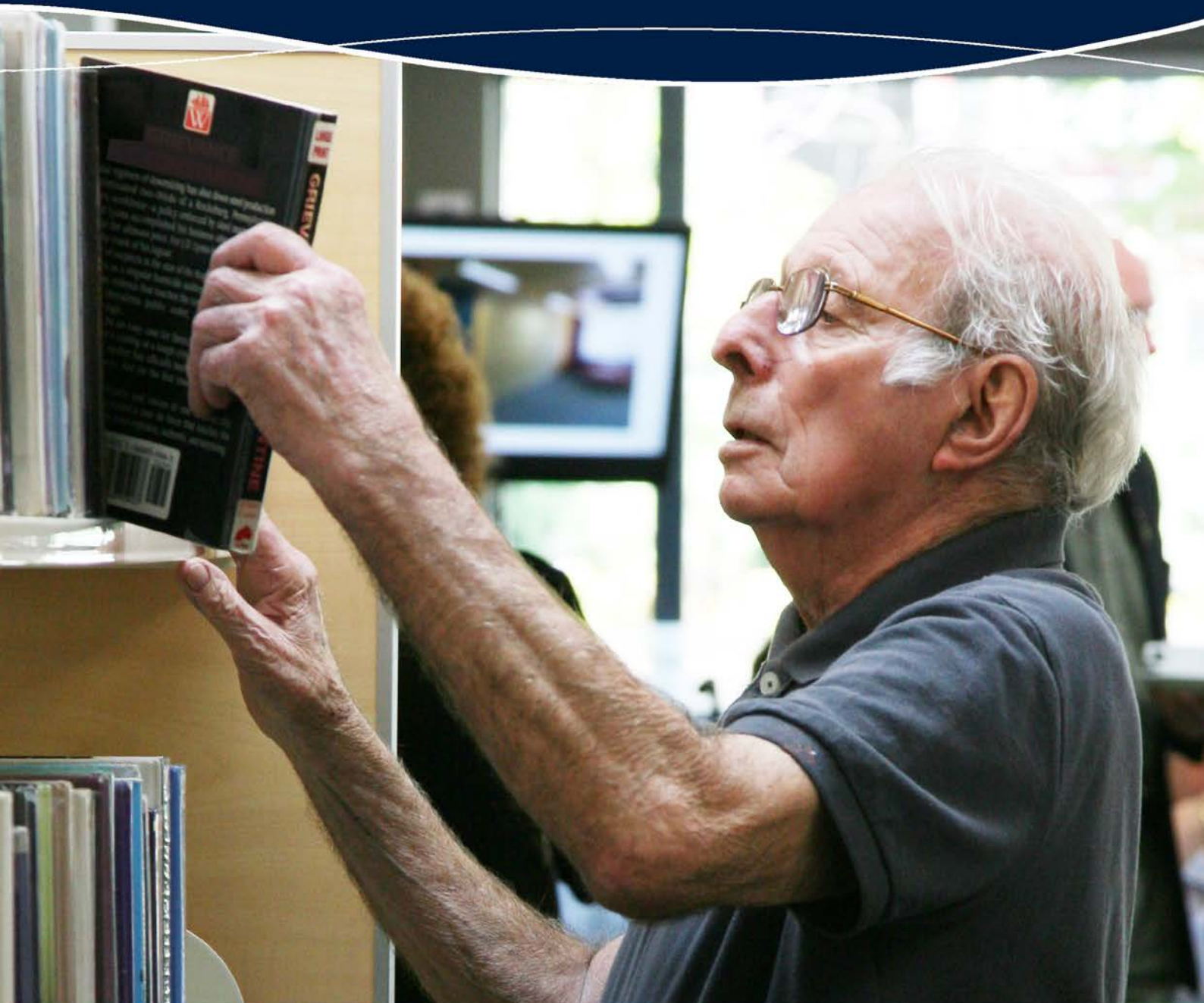




UPPER HUTT CITY

Annual Plan 2011-12

1 July 2011 > 30 June 2012



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A message from the Mayor

It is my pleasure to introduce Upper Hutt City Council's Annual Plan for 2011-12, which illustrates council's ongoing progress on behalf of the Upper Hutt community.

Upper Hutt City continues to be a lifestyle choice for many, particularly families. We offer affordable housing, highly regarded facilities and activities, everything you need in close proximity and we are surrounded by green trees and rural acreage. We welcome new residents and investors to our city and the diversity, economic prosperity and additional job opportunities that they bring. We must continue to be the place of choice for people in this area.

It is no news to any of us that this year has seen the world wide economic recession make its mark on our household budgets. Council has taken this into consideration when reviewing the budgets and have been extremely prudent. And while our responsibility, on behalf of the Upper Hutt community, is to protect our assets and keep them maintained for future generations, we also need to provide some new facilities that keep us moving forward as a city.

Unfortunately as a result of the Christchurch earthquakes all councils have been negatively affected resulting in insurance costs increasing by four hundred percent causing rates to rise this year.

The key projects scheduled for 2011-12 are:

- development of a full-size artificial hockey turf, a rugby/soccer turf including a practice turf plus an additional car park at Maidstone Park;
- extension of the Hutt River Trail along the stopbank from Moonshine Bridge to Poplar Grove;
- H²O Xstream maintenance – which will see the installation of a new roof, lights and general pool repairs and cleaning; and
- the development of a sustainability strategy – which will promote sustainability best practice across the council and the community.

The coming year holds some exciting possibilities for Upper Hutt. Firstly, we are delighted to welcome the New Zealand Defence Force and their new building development in the CBD and the consequential CBD business. This will result in a significant boost to the economy.

We are also excited about the Rugby World Cup in September/October, as this has the potential to bring great opportunities to New Zealand and Upper Hutt. The council has every intention of being part of the event and will be encouraging local businesses to support and be part of the World Cup. This event is for our citizens and visitors to enjoy.

Lastly, an important discussion on our minds is in regards to the ongoing governance of the council's within the Wellington region. An independent report proposes a number of options, including merging all the councils into one or having clusters of councils join together or keeping the status quo. The current government will not force this on Wellington City. We must decide what is good for Upper Hutt and the Wellington region. What is important are our low debt levels and our close working relationships with the community; however we will also be reviewing the provision of further joint services with other local councils where it is cost effective to do so. You will be consulted on any proposals that arise. Your views are highly valued and are always welcomed.



Wayne Guppy
Mayor

Introduction

The council undertook a thorough consultation programme in 2008-09 for the development of the Long Term Council Community Plan 2009-2019. Consequently, most of the key decisions and proposed work programmes outlined within this plan have already been agreed to by the council and the community, as presented in the 2009-2019 Long Term Council Community Plan (LTCCP).

This Annual Plan 2011-12, adopted at an Extraordinary Council Meeting held on 22 June 2011, sets out Year 3 of the LTCCP, with what the council plans to achieve in the financial year starting 1 July 2011.

How much will it cost?

Proposed rates increase

The proposed increase in rates for 2011-12 is **4.61 percent** and allows for an estimated increase in the rating base of 0.85 percent due to city growth.

A key reason for the increase in rates, particularly since the draft Annual Plan was released for consultation, is due to an increase in insurance premiums.

As with all local authorities in New Zealand the Council's insurance cover has been significantly impacted by the Christchurch earthquakes.

Insurance cover for underground assets via the Local Authority Protection Programme Disaster Fund (LAPP) scheme has been reinstated on a very limited basis at four times the previous premium.

Cover for above ground assets has also been obtained using a collection of London and local insurers, again on a more restricted basis, with a high access and at three times the previous premium level.

Proposed expenditure

The total council expenditure proposed for 2011-12 is \$43.395 million (this excludes depreciation). Of this, capital expenditure (e.g. renewal of roading and water/drainage infrastructure) is estimated to cost \$11.415 million. A number of funding sources contribute to the payment of the forecast expenditure, including rates, which accounts for 62.8 percent of the total funding required for 2011-12.

Following are the details of the key projects and programmes to be undertaken during the year, as well as the expenditure on these.

Summary

Summary of key projects planned for 2011-12

Activity	Projects	Description	Allocated expenditure
Economic development	Experience Upper Hutt	To assist in regenerating the city centre	\$80,000
Community Services	Youth Strategy	This project, aligned to the Youth Development Strategy Aotearoa, aims to connect young people to a range of services aimed at improving their health and wellbeing.	\$19,000
	SHAW – Safety, Health and Wellbeing	This project aims to improve the safety, health and wellbeing of the Upper Hutt community (eg neighbourhood-led projects and education on topics such as healthy homes and budgeting).	\$26,000
Parks and Reserves	Maidstone Park Development	This project will provide a full-size artificial hockey turf and a rugby/soccer turf including a practice/warm-up turf plus a new car park and storage shed.	\$3,869,000 ¹
	Revegetation of Maidstone Park	To eradicate all mature pine trees and to encourage bush areas to regenerate with native trees and shrubs.	\$38,000
Activation		Aims to encourage and facilitate active and healthy lifestyles by getting more Upper Hutt people, more active, more often.	\$185,000
H²O Xstream	Closure of pool	Three-yearly maintenance including replacement of the roof.	\$1,009,000
	New pool hall lights	To eliminate the need to continually hire scaffolding to change light bulbs and fittings.	\$43,000
City planning	Urban Growth Strategy	This strategy will guide the future physical development of the city.	\$38,000
Land transport	Enhance cycle and walkway linkages	To extend the Hutt River trail along the stopbank from Moonshine Bridge to opposite Poplar Grove.	\$642,000 ²
Support services	Sustainability Strategy	This strategy will review and resolve sustainability issues and opportunities within council and the wider Upper Hutt.	\$76,000
	Eco-friendly incentives	This project will be an outcome of the Sustainability Strategy mentioned above.	\$16,000

NOTES

1. \$2.769 million has been allocated by Upper Hutt City Council with the remaining contribution of \$1.1 million from external funding. The \$2.769 million is to be sourced from the sale of surplus land, the 2009-10 general surplus, the Hillary Commission Fund and possibly some loan funding.

2. Council will allocate 45% of the proposed expenditure and the NZ Transport Authority will allocate 55%.

Summary

Leadership and community

Leadership | community services | property | support services

Council considers all residents' views of our community very seriously and endeavour to do everything in their power to make the correct decisions in line with these views and to keep residents well informed. The Leadership activity covers the role and functions of the Mayor and elected members of the council who are responsible for community leadership and setting policy direction for the Upper Hutt City Council.

The role of Community Services is to connect Upper Hutt's residents to the services and support available within the local community. Two primary ongoing projects facilitated by Community Services are delivery of the Youth Strategy and the Safety, Health and Wellbeing (SHAW) programme.

Youth Strategy

Following guidance from a series of in-depth Youth Surveys, Community Services will continue to identify and respond to the needs of young people. Areas of particular focus include depression and harm reduction around drugs and alcohol. Council will once again be engaging with other agencies to address the gaps found in the youth survey. In terms of celebrating success and developing leadership the council will again run the annual Young Achievers Award this year.

Safety, Health and Wellbeing (SHAW)

Community services will continue to provide information and assistance through a number of channels to improve the safety, health and wellbeing of the Upper Hutt population. Two key areas of focus are older adults and disabled people and the actions taken following consultation with these sectors.

Ongoing projects involve safety issues such as family violence, alcohol and graffiti and there has been an increasing need in the area of healthy homes, budgeting and sustainability. More work is planned in terms of public education, as well as resource development and distribution.

Council is resolute in making Upper Hutt a safe and healthy city for our residents. In conjunction with Hutt City Council, and in partnership with New Zealand Police, Regional Public Health, the Hutt Valley District Health Board, and ACC, we were recently awarded the World Health Organisation's (WHO) Safe City accreditation.

Sustainability Strategy and Eco-friendly incentives

Council's newly appointed Sustainability Officer will be tasked with developing and implementing an integrated sustainability strategy that looks to promote sustainability best practice across the council and the community.

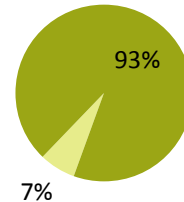
Summary

Total expenditure

Approximately 7 percent (\$2.998 million) of council's expenditure for 2011-12 is allocated to this section of which \$2.628 million is funded from rates.

Leadership and community	Total expenditure \$000
Leadership	2,120
Community services	605
Property	114
Support services	159

■ Leadership and community ■ Other



Economic development

The Economic Development activity covers promotion for the whole city area, including the visitor industry and business liaison. Council will continue to actively work with the business sector to identify and support initiatives to create economic growth and to promote the city, its events and attractions. High on the priority list for council will be local issues such as attracting more investment into the city, growing emerging businesses, identifying local opportunities and linkages, addressing needs such as training and communication technology, and sustaining existing businesses.

Projects planned for 2011-12 to improve the vibrancy and economic prosperity of the city include:

Experience Upper Hutt (funding scheduled to cease on 30 June 2012)

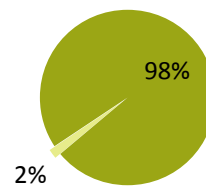
With a budget this year of \$80,000 council will continue to work closely with Experience Upper Hutt to assist in the growth of Upper Hutt's CBD. Examples of the work Experience Upper Hutt carries out include: a promotional campaign for the Upper Hutt Passport each Christmas, the bi-annual Business and Excellence Achievement Awards, and promotional activities throughout the CBD for businesses.

Total expenditure

Approximately 2 percent (\$0.844 million) of the council's expenditure for 2011-12 is allocated in this area, of which \$0.815 million is funded from rates.

Economic development	Total expenditure \$ 000
Economic development	844

■ Economic development ■ Other



Summary

Out and about

Parks and Reserves | Activation

Lying within bush clad hills with the river meandering through and the many excellent parks around the city; it is understandable why Upper Hutt is sometimes referred to as 'the capital gateway to the outdoors'. Whether walking, tramping or biking in the hills is your preference, a family picnic and swim by the river, or playing sport at one of the beautiful parks in the area, Upper Hutt is an ideal location to get active.

Upper Hutt is situated within a unique natural environment - our parks and reserves and the Hutt River provide the ideal location for relaxation, recreation and community events. Furthermore, we also care about the health and wellbeing of our community – that is why we are continuing to fund the Activation project which aims to get more people more active, more often.

Projects identified for 2011-12 to improve the quality of the outdoor experience for residents and visitors include:

Maidstone Park Development Plan

\$2.769 million has been allocated by Upper Hutt City Council with the remainder of funds (\$1.1 million) to be sourced from external funders. The \$2.769 million is to be sourced from the sale of surplus land, the 2009-10 general surplus, the Hillary Commissions Fund, the Reserve Fund contribution and possibly some loan funding.

This year will see the commencement of stage one and two of the Maidstone Park development plan for use by schools, clubs and the wider community. Stage one will involve the development of a full-size artificial hockey turf and car parking. Stage two will be the development of an artificial rugby/soccer turf, a practice turf and a storage shed.

This artificial turf development is expected to increase the hours of available play in Upper Hutt significantly, not only by bringing in a greater number of regional competitions but also from reduced cancellations occurring due to wet fields etc. Unfortunately, it is usually the junior teams that suffer the most when restrictions are placed on local field usage.

The redeveloped park will also create a 'destination', bringing in visitors to the area from all around the region, resulting in a positive spin off for the CBD due to the intensity of sports and other activities being held on the turfs.

Ongoing revegetation of Maidstone Park

Work will continue on the eradication of unwanted pine trees in the park in order to encourage the regeneration of native trees and shrubs. \$38,000 has been allocated for this work to be carried out in 2011-12.

Parks and Reserves work programme (continued funding)

Other ongoing projects include large specimen tree planting in selected parks and reserves, the native forest management programme and monitoring the native bush. In addition to the maintenance of street trees, reserves and public gardens; planting and mowing reserves, weed control, bush regeneration and graffiti removal will occur. Sports ground and public toilet maintenance; and development of new, and maintenance of, existing playgrounds and play equipment will also take place.

Summary

Activation (continued funding)

The key areas of focus for the Activation project are people and projects ie a focus on promoting participation in active recreation through provision of programmes, public information, club development and leadership of an active recreation policy and strategy; along with the facilitation of community driven events and activities.

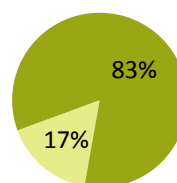
Activation has been funded by council through to 2013-14.

Total expenditure

Approximately 17 percent (\$7.523 million) of council's expenditure for 2011-12 is allocated in this area, of which \$2.368 million is funded from rates.

Out and about	Total expenditure \$ 000
Parks and reserves	6,961
Akatarawa Cemetery	255
Activation	307

■ Out and about ■ Other



Leisure

Library | H²O Xtream | Expressions Arts and Entertainment Centre

Leisure activities provide a great sense of wellbeing and are essential to create balance in our lives. It is a time when people from all walks of life, old and young, residents and visitors can enjoy time away from the essential day-to-day activities.

The premier leisure venues operated by council ie the Library, H²O Xtream and Expressions Arts and Entertainment Centre, also provide vital leisure opportunities and they provide a central location for holding community events.

Projects identified for 2011-12 to maintain or improve these facilities include:

Maintenance of H²O Xtream

This year the H²O Xtream facility is scheduled to close for a number of weeks to enable the three-yearly maintenance work to be carried out. This involves work that is unable to be completed while the pool is in operation. The major work being carried out is the replacement of the roof and skylights over the pool hall, plant maintenance which requires the pool to be empty, and general maintenance requirements at a cost of \$1,009,000.

New pool hall lights for H²O Xtream

Currently in the pool facility, scaffolding is required to change light bulbs and fittings. This year council proposes to allocate \$43,000 to install a new lighting system that will remove the need to use scaffolding and the possible risk of fittings falling from the ceiling.

Summary

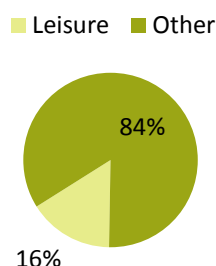
Motorised lift/ladder for Expressions Arts and Entertainment Centre

The new genie is a specialised motorised lift (akin to a cherry picker) for use throughout the Expressions Arts and Entertainment Centre. It will be used for adjusting lights, sets, etc.

Total expenditure

Approximately 16 percent (\$7.138 million) of council's expenditure for 2011-12 is allocated in this area, of which \$4.275 million is funded from rates.

Leisure	Total expenditure \$ 000
H ² O Xtream	3,795
Library	2,503
Expressions	840



The environment

City planning | building and compliance services | emergency management

City planning is all about the future management of our environment in a way that enables the city to develop and grow in a sustainable manner by considering the long and short term effects of change on the physical and natural environment. In regards to the health and safety of the community, council covers a number of responsibilities around building control, animal control, parking enforcement, noise and pollution control, liquor licensing, public health enforcement and emergency management.

Projects identified for 2011-12 include:

Maymorn structure plan – a key growth site identified by the Urban Growth Strategy

Council proposes to continue with the preparation of a structure plan for the Maymorn area to enable future urban development. This project is a key part of the Urban Growth Strategy and is needed to maintain an adequate supply of land for residential development. A draft structure plan will inform a change to the Upper Hutt District Plan.

City planning projects

Council will implement the findings of the Southern Hills Environmental Management Study completed in 2008 by Boffa Miskell, in order to protect the ridgeline of the southern hills of the city from inappropriate use and development.

A review of District Plan provisions relating to tree protection within Upper Hutt will reword the Schedule of Notable Trees, and review the existing zonings which afford protection to trees, in the light of changes to the Resource Management Act.

Replacement vehicle

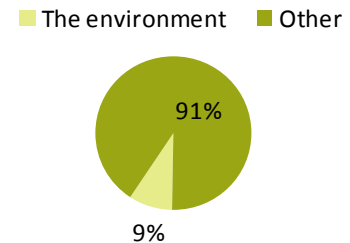
This year \$74,000 has been set aside for Rural Fire vehicle replacement.

Summary

Total expenditure

Approximately 9 percent (\$4.102 million) of council's expenditure for 2011-12 is allocated to this theme, of which \$1.914 million is funded from rates.

The environment	Total expenditure \$ 000
City planning	1,617
Building and Compliance Services	1,928
Emergency management	557



Land transport

Council is committed to providing a safe, sustainable, well planned and managed transport network which is important for the economic, social and environmental wellbeing of Upper Hutt.

Council undertakes roading improvements; road maintenance, street cleaning, and development and enhancement of cycleways, footpaths and street lights.

In addition to ongoing road maintenance and development another project (noted below) has been identified as a priority for improvement to our transport network.

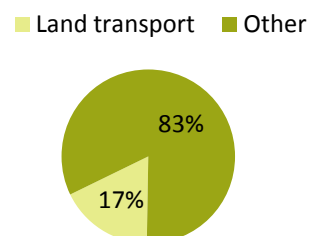
Enhance cycle and walkway linkages

It is proposed that the Hutt River Trail be extended along the stop bank from Moonshine Bridge to opposite Poplar Grove with a sealed surface suitable for walking and cycling. The cost of this project is \$642,000 of which council will allocate 45 percent and NZTA will allocate 55 percent of the funding.

Total expenditure

Approximately 17 percent (\$7.894 million) of council's expenditure for 2011-12 is allocated to maintaining and improving our transport network, of which \$4.577 million is funded from rates.

Land transport	Total expenditure \$ 000
Land transport	7,894



Water and waste

Water supply | wastewater | stormwater | solid waste

In order to maintain the safety and health of the community and the environment it is essential that the water supply, wastewater, stormwater and solid waste are proficiently and effectively managed in a sustainable way.

Council will continue to monitor water consumption and encourage all residents to 'make every drop count'.

The council's role is to provide the community with a safe, potable water supply, safeguard public health and safety, protect our environment from pollution and encourage sustainability through water conservation, recycling and waste reduction.

Council undertakes leak detection work, assists customers with managing leak repairs and maintains and upgrades water, wastewater and stormwater pipelines. Council also promotes recycling and waste minimisation, the efficient use of water, and future planning.

Projects identified for 2011-12 to maintain and improve these services include:

Water, wastewater and stormwater pipelines renewal

This year will see the continued replacement of the water supply, wastewater and stormwater pipelines nearing the end of their economic life.

Emerald Hill Pressure Management Project

The purpose of this project is to integrate the Emerald Hill water supply area into the Timberlea water reservoirs reticulation and use the capacity of Emerald Hill reservoir more effectively.

\$102,000 has been set aside for this work.

Wastewater project capital

This project will cover the renewal of assets, which includes pipelines, pump stations and an upgrade of the pipeline protection component that runs across the Silverstream River at Silverstream.

Waste minimisation project

Council will continue to monitor waste management with the emphasis on encouraging the reduction of solid waste and an increase in recycling within the community. The Waste Management Plan contained within the current Long Term Council Community Plan is proposed to be amended and was the subject of parallel consultation with the 2011-12 draft Annual Plan.

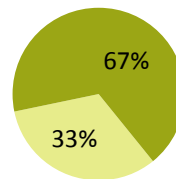
Summary

Total expenditure

Approximately 33 percent (\$4.896 million) of council's expenditure for 2011-12 is allocated in this area, of which \$11.939 million will be funded from rates. Our commitment to these basic services is evident with water and waste activities comprising the largest component of council's expenditure.

Water and waste	Total expenditure \$ 000
Water	5,745
Wastewater	6,604
Stormwater	2,229
Solid waste	318

■ Water and waste ■ Other



The financials

Changes to the 2011-12 fees and charges

Please note: Following the GST increase from 12.5 percent to 15 percent in October 2010 a number of the fees and charges have subsequently been rounded up or down to the closest 50 cents.

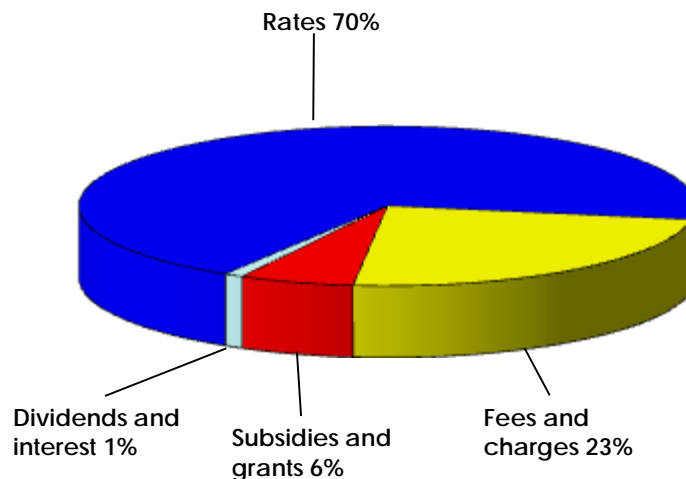
Key changes to the Schedule of Fees and Charges (circulated as a separate document) are:

- all charges associated with Akatarawa Cemetery will increase by 3.5 percent to reflect increases in the provision of services
- a number of administration/miscellaneous charges have changed to reflect current practices. These changes are in relation to requests for plans from tracings and aerial photographs from the printer. The addition, the cost of staff time will also be proportionally allocated to orders requiring greater than half an hour of time
- H₂O Xtream charges for the slide, Upper Hutt Swimming Club and some 10 trip passes will increase to bring them in line with market value
- within the land transport activity the chip sealing fee per square metre will increase by 4.4 percent
- a number of land transport permit fees will increase to cover the actual costs
- a number of resource management subdivision fees will increase this year to reflect increased costs in the engineering component of these fees. In addition the hourly rate on which all resource consent application fees are based will increase from \$92 | hr to \$100 | hr
- a 2.1 percent increase will occur in regards to Official Information Act work as a recommendation from the office of the Ombudsman, '3 Subject to paragraph 6, staff time will be charged, where the total time involved is in excess of one hour, after the first hour, for each half hour or part thereof at a rate of'
- trade waste charges have increased from 2010-11 by an average 9.3 percent due mostly to an increase in the interest rate from last year
- there will be a small increase in water charges to recover the increased cost of water and to cover the increased cost of inflation
- under the land transport activity an additional fee has been introduced for re-inspections where a works completion notice has been received but the work has not been completed to council's requirements
- car parking overstay charges will increase in line with the national precedent code book for parking related offences
- a new National Multiple-Use Application has been added to the building consent fees. This application relates a building design that has been pre-approved for building code of compliance eg suppliers of kitset buildings, garages, sheds etc. The new fee is \$400.

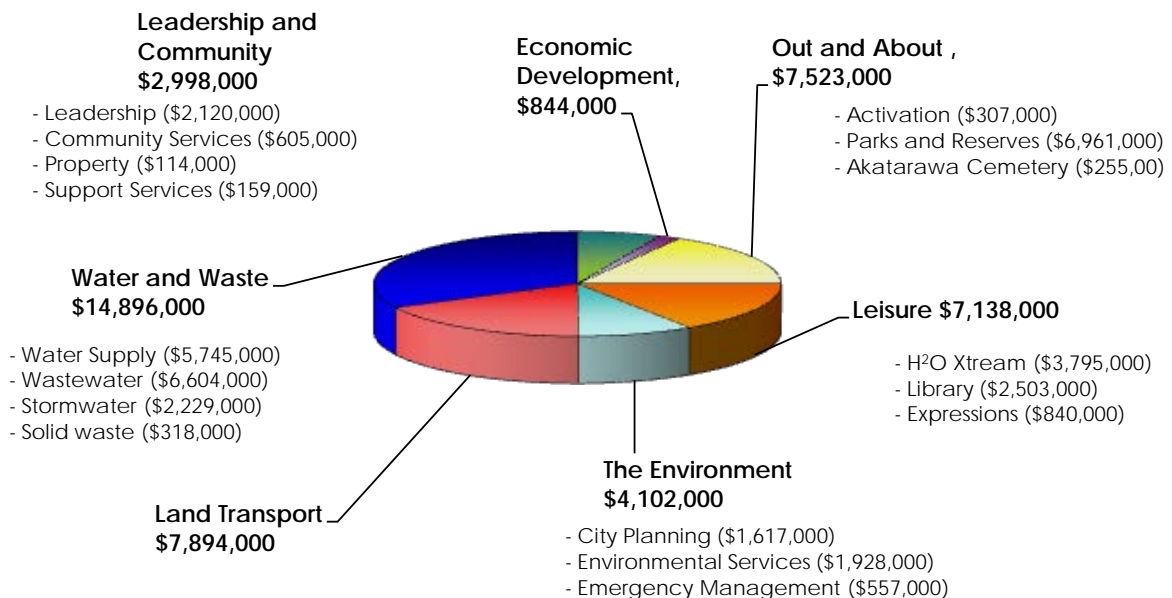
Financials summarised

Money coming in, money going out

Sources of Operating Revenue



Total Expenditure (excluding Depreciation)



Financials summarised

Some facts about your rates

Rates will contribute a total of 70 percent towards council's projected income for 2011-12. Of that amount, your rates bill is made up of two components:

1. general rates accounts for approximately 57 percent of total rates. This is dependant on council expenditure and subsequently on your property value and type i.e. residential, rural, business or utility
2. targeted rates, which contribute approximately 43 percent to council's proposed expenditure, are made up of rates for water supply, wastewater and stormwater (Note: these rates are not charged to rural properties that do not use the services).

Upper Hutt City Council also collects rates on behalf of the Greater Wellington Regional Council for items such as servicing the region's public transport system and managing the regional parks and reserves.

Rural rates

About 7.6 percent of general rates are collected from rural properties. These are properties that are physically located in the rural area and not just those covered by the rural rating differential¹. The rural rating differential (those greater than 30 hectares) contributes 0.97 percent of general rates.

Financial impact for 2011-12

The total rate funding requirement for the activities and work programme for 2011-12 is \$28.516 million. This equates to an average rates increase of 4.61 percent (including an adjustment for city growth). Examples of how this is likely to affect specific properties are shown in the table below. These properties illustrate the rating requirement for a property of average or median value for that rating category. These estimates exclude rates collected on behalf of the Greater Wellington Regional Council, but do include GST at 15 percent for the full year.

The interest Upper Hutt City Council is currently paying on debt is \$1.883 million per annum.

	Residential CV \$333,000	Rural CV \$719,000	Business CV \$899,000
General rates	794	1,252	5,682
Targeted rates (water, wastewater, stormwater)	859	No charge	*2,196
Total rates (incl. GST)	\$1,653	\$1,252	\$7,878

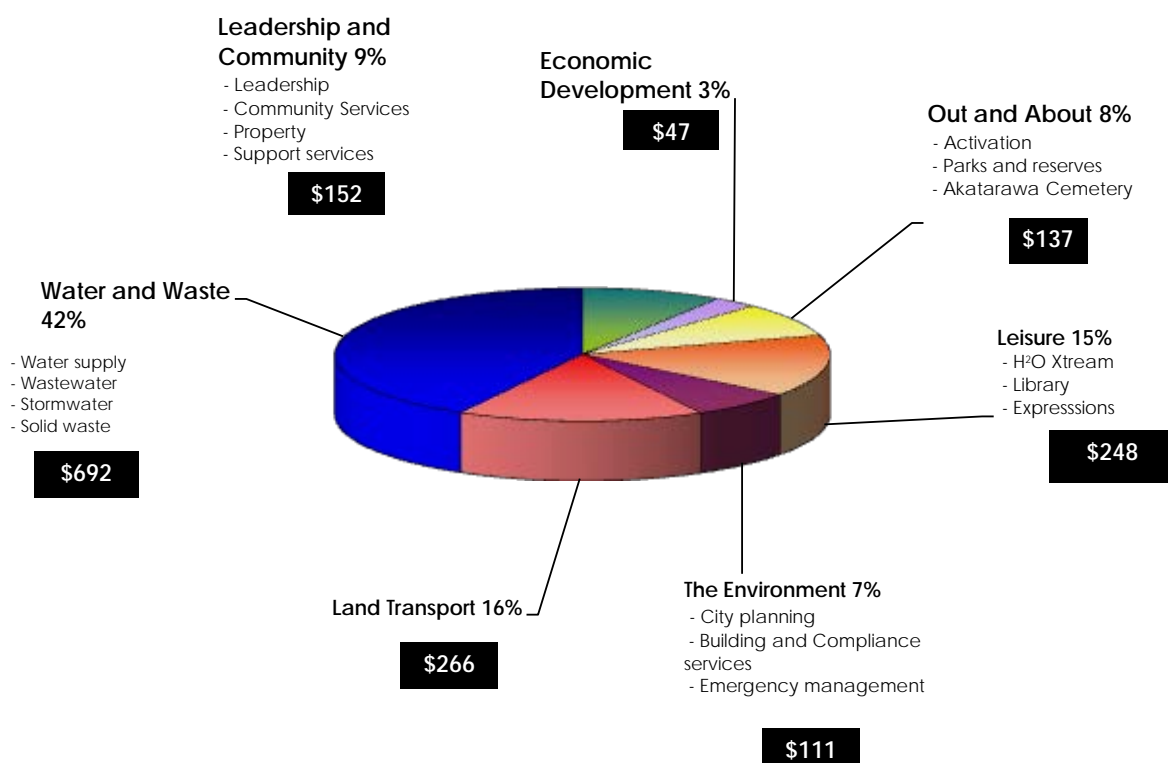
*Business example is based on 1 water charge and 3 pan charges.

¹ The rural rating differential relates to properties that are greater than 30 hectares and which are rated at 73 percent of the standard differential (for general rates).

Financials summarised

Where does your rates money go?

The average total residential rates for 2011-12 are \$1,653. This is broken down in more detail below:



Key financial and project adjustments from the Long Term Council Community Plan 2009-2019

The LTCCP originally forecast a net debt of \$21.366 million and a rates increase requirement of 4.4 percent. Council is now proposing a net debt as at 30 June 2011, of \$24.699 million, and a 4.61 percent rates increase.

In comparison to the Long Term Council Community Plan Year 3 forecast there is a \$33,000 decrease in the rate funding requirement and a \$259,000 increase in interest expenses.

There are a range of adjustments from the 2011-12 Long Term Council Community Plan projected expenditure level and these are primarily due to changes in prices, priorities and/or circumstances such as the current economic climate.

Another significant impact on rates is in respect of rising insurance premiums. A key reason for the increase in rates, particularly since the draft Annual Plan was released for consultation, is due to an increase in insurance premiums.

Financials summarised

As with all local authorities in New Zealand the Council's insurance cover has been significantly impacted by the Christchurch earthquakes.

Insurance cover for underground assets via the Local Authority Protection Programme Disaster Fund (LAPP) scheme has been reinstated on a very limited basis at four times the previous premium.

Cover for above ground assets has also been obtained using a collection of London and local insurers, again on a more restricted basis, with a high access and at three times the previous premium level.

Amended/deferred projects from the Long Term Council Community Plan

- sealing of the Hutt River trail between Awakairangi Park and Norbet Street – this project has been postponed and the \$130,000 set aside in 2011-12 has been re-allocated towards the Maidstone Park development
- Akatarawa Road bridges renewal programme – \$1,055,000 was set aside in 2011-12 for this project. In recognition of the decayed condition of the three timber bridges NZTA agreed to bring forward their share of the funding for replacing the three bridges to 2010-11. Council did likewise by bringing forward the funding from 2011-12 and 2013-14. The bridges will be built over the period March 2011 to November 2011
- the development of netball and tennis courts - \$318,000 has been deferred. It is proposed that this funding now be allocated to the development of hockey and rugby/soccer turfs at Maidstone Park. Special provision will be made to reserve land adjacent to the hockey turf to allow for future development of netball/tennis courts if justified by demand
- the Waste Management Plan contained within the current Long Term Council Community Plan (under the Solid Waste activity) is proposed to be amended and was the subject of parallel consultation with the 2011-12 draft Annual Plan. Currently council has a joint Waste Management Plan with Hutt City Council. The proposal is to move to a Wellington Regional Plan
- the major promotion campaign - \$65,000 has been postponed in light of the current economic climate
- the habitat improvement study - \$95,000 has been postponed in light of the current economic climate.

Key rate funding and project adjustments include:

Rate funding adjustments

- as with all other local authorities council has been negatively affected by the impact from the Christchurch earthquakes. Insurance costs have increased by \$366,000
- land transport's rate funding requirement is to rise by \$184,000. The main components of the 2011-12 increase are due to increased contract costs and market fluctuations. Land transport costs also fluctuate from year to year due to changes in the asset management plan that recognises when the most economical time is to replace an asset. Council brought forward the Akatarawa Road bridges renewal project which has brought forward \$59,021 in interest costs
- the rate funding requirement for H₂O Xstream has dropped by \$742,000. This is mainly due to a change in funding extraordinary maintenance by loans rather than rate funding
- the property division's rate funding requirement is to increase by \$72,000. This increase is due to the removal of rental housing in Maidstone Terrace

Financials summarised

- the wastewater activity's rate funding requirement has increased by \$274,000. This is largely due to increased capital expenditure on the Hutt Valley Bulk Wastewater project and insurance increase of \$100,000. Wastewater costs also fluctuate from year to year due to changes in the asset renewal upgrade programme
- water supply costs have decreased by \$21,000 mainly due to a change in fees and charges. Stormwater has increased by \$254,000 due to changes in the asset renewal upgrade programme
- Activation's rate funding requirement is to reduce by \$16,000 due to a reduction in staff. If this funding level is not achieved, activity levels will be scaled back accordingly
- the leadership activity rate funding requirement has increased by \$45,000
- the economic development activity rate funding requirement has decreased by \$39,000 due to the removal of regional marketing initiatives costs of \$14,000 and the major promotional campaign \$65,000 offsetting the increase in insurance and a new staff member. In addition, the WOW publication costs of \$13,000 have been transferred to Recreation Services
- the city planning activity proposed rate funding requirement has decreased by \$113,000. This activity is proposed to have reduced income levels, the sustainability strategy and associated funding has been transferred to the support services division, and the proposed income levels for the reserve fund contribution have reduced by \$227,650
- the proposed rate funding requirement for the building and compliance activity has increased by \$139,000 due to the reduced level of building activity income of \$124,000.

Summary of the proposed revised regional Waste Management and Minimisation Plan

The Waste Management Plan contained within the current Long Term Council Community Plan (under the Solid Waste activity) is proposed to be amended and was the subject of parallel consultation with the 2011-12 draft Annual Plan. Currently Council has a joint Waste Management Plan with Hutt City Council. The proposal is to move to a Wellington Regional Plan.

Introduction

The Waste Minimisation Act 2008 came into force in September 2008. Under the Act territorial authorities are required to develop a Waste Management and Minimisation Plan to encourage and promote effective and efficient waste management and minimisation.

Officers from councils across the Wellington region identified significant potential benefits in developing a regional response to waste issues. Consequently, officers have prepared a regional waste assessment and regional waste management and minimisation plan.

Summary

A key success factor for Wellington as a region will be how efficiently we use the resources we have and how effectively we reduce our environmental impact. Sustainability has become increasingly vital not only to social, environmental and cultural outcomes, but to our economic success as well.

With this in mind the councils of the Wellington region have agreed to prepare and adopt a joint Waste Management and Minimisation plan. The plan represents a major step forward, in that, for the first time, all councils of the region formally commit themselves to work together to promote efficient and effective waste management and minimisation.

Financials summarised

Consequential amendment

The adoption of the Waste Management and Minimisation Plan would result in a consequential amendment to the Funding Impact Statement contained in the current LTCCP. This Plan contains a Regional Action Plan and an individual Upper City Council Action Plan, both of which will have funding implications, which will require consideration by council as a part of the 2012-2022 Long Term Plan process.

Consultation

The adoption of the Statement of Proposal, which includes the proposed Waste Management and Minimisation Plan may be inspected or obtained at the Council Office, Upper Hutt Libraries, or at the i-SITE. Copies can also be downloaded from the website www.upperhuttcity.com. The submission timeframe and requirements are the same as for the Annual Plan 2011-12.

Submitters are also welcome to present their submission in person. Submissions made on the Waste Management and Minimisation Plan will be reviewed and heard by a regional committee of councillors, which is a separate process to the Annual Plan process.

Financials summarised

A - Rate funding requirement for each significant activity	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Leadership	1,926	2,040	2,085	45
Economic development	747	854	815	(39)
Community services	576	583	530	(53)
Activation	148	201	185	(16)
Parks and reserves	2,154	2,358	2,182	(176)
H ² O Xstream	1,215	2,015	1,273	(742)
Library	2,054	2,198	2,209	11
Expressions	779	732	793	61
Property	(22)	(109)	(37)	72
Akatarawa Cemetery	(2)	0	1	1
Emergency management	470	486	473	(13)
City planning	1,292	1,118	1,005	(113)
Building and Compliance Services	325	297	436	139
Land transport	4,465	4,393	4,577	184
Water supply	4,284	4,337	4,358	21
Wastewater	5,886	5,443	5,717	274
Stormwater	2,655	1,933	2,187	254
Solid waste	(272)	(371)	(323)	48
Support services	84	40	50	10
Total rate funding requirement	28,764	28,548	28,516	(32)
Change in rate funding requirement	4.1%	4.9%	5.46%	0.56%
Forecast growth in the rating database	1.0%	0.5%	0.85%	0.35%
Forecast in net change in rate funding requirement	3.1%	4.4%	4.61%	0.21%
Forecast Inflation	0.0%	2.7%	4.00%	1.30%
Forecast real change in rates funding requirement	3.1%	1.7%	0.61%	-1.09%
Funded by				
Accumulated general fund	1,724	0	0	0
Rates	27,040	28,548	28,516	(32)
Total	28,764	28,548	28,516	(32)

Financials summarised

B - Rates	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
	General rates	15,622	16,836	16,254
Targeted rates water fire protection	999	1,096	1,076	(20)
Targeted rates water supply	2,884	3,241	3,282	41
Targeted rates stormwater	2,132	1,933	2,187	254
Targeted rates wastewater	5,401	5,443	5,717	274
Rates total	27,038	28,549	28,516	(33)
Targeted rate Karapoti bridge	2	2	2	0
Rates penalties	228	201	232	31
Total rates income	27,268	28,752	28,750	(2)

C - Public debt	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
	Opening balance	18,642	20,457	21,349
Loans raised during the year	3,638	1,518	3,940	2,422
Less repayments during the year	(572)	(609)	(620)	(11)
Total public debt	21,708	21,366	24,669	3,303
New loans consist of:				
Land transport	2,253	764	289	(475)
Wastewater	181	527	599	72
Water	0	106	102	(4)
Library	1,204	0	0	0
Parks and reserves	0	0	1,950	1,950
H ² O Xstream	0	0	1,000	1,000
Stormwater	0	121	0	(121)
Total new loans	3,638	1,518	3,940	2,422
Interest expenses	1,637	1,624	1,882	258

Financials summarised

D - Restricted reserve funds	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
	Special funds	1,883	1,489	1,019
Other accounts restricted by law	319	13	1,106	1,093
Total restricted reserves	2,202	1,502	2,125	623

E - Comparison of key indicators	Annual Plan Year 2 2010-11 (\$ 000)	LTCCP Year 3 2011-12 (\$ 000)	Annual Plan Year 3 2011-12 (\$ 000)	Variation Year 3 2011-12 (\$ 000)
	Rate funding requirement	27,038	28,549	28,516
Public debt	21,708	21,366	24,669	3,303
Restricted reserves	2,202	1,502	2,125	623

City vision

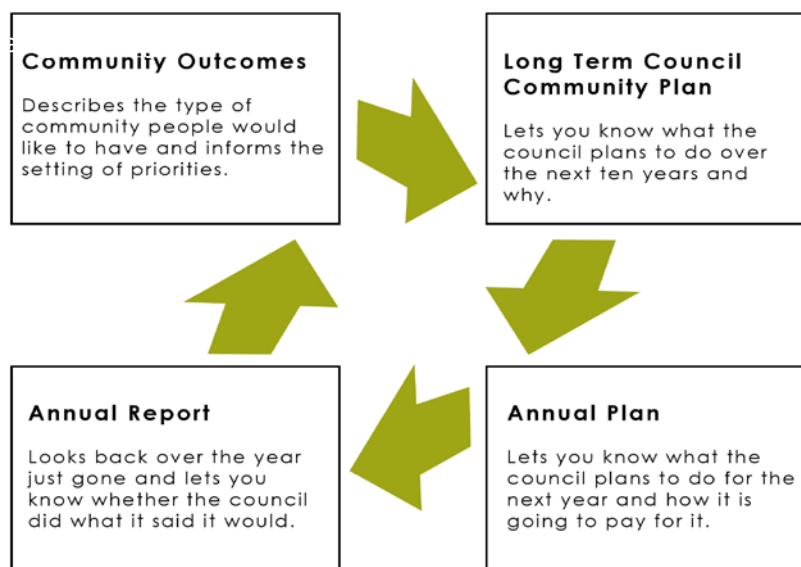
UPPER HUTT CITY | A great place to live



- 1 Upper Hutt is the city of choice for people from all walks of life
- 2 Upper Hutt has a vibrant city heart
- 3 The economy is robust, innovative and growing
- 4 Upper Hutt offers a green and attractive living environment
- 5 The community is safe, healthy and strong
- 6 Leisure opportunities are outstanding
- 7 Upper Hutt is connected with the world

Community Outcomes

The council planning framework



Council's response by activity



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How to read this section

In this section, council's activities are discussed under the following headings:

Overview

The overview provides a summary of the council activity and explains why council is involved in the area. It also identifies the assets or groups of assets owned in relation to the activity, where applicable.

Level of service objectives and performance measures

This section presents council's objectives for delivering the service, together with performance measures, which indicate how well the objectives are being met.

Works programme

This section summarises proposed expenditure on capital works, asset management and projects. It identifies variations from the work programme proposed for year 3 (2011-12) in the Long Term Council Community Plan (LTCCP). It also shows how the work will be funded.

Cost of services statement

This section identifies the budget and funding requirements for the activity for the 2011-12 year.

It includes the base figures year 2 (2010-11) and year 3 (2011-12) from the LTCCP and identifies variations for 2011-12 arising from reviewed work programmes and associated cost changes.

Link to the Council's Long Term Council Community Plan (LTCCP)

The Annual Plan 2011-12 is based on year 3 of the council's LTCCP 2009-2019.

A more detailed analysis of council activities, covering ten years to 30 June 2019, can be found in the LTCCP. In particular, the LTCCP deals with the following additional matters for each activity:

- **key council contributions to community outcomes**

This table, provided for each activity, identifies the main community outcomes that the activity contributes to and the way in which council contributes towards furthering the outcomes.

- **key issues and responses by council**

This section addresses how the council intends to manage each activity.

- **significant negative effects**

This section identifies significant negative effects (if any) arising from providing the activity.

- **works programmes and funding sources for the full ten year period to 30 June 2019**

As previously stated, the Annual Plan only deals with year 3 – 2011-12.

- **ten year financial forecast**

This outlines the funding requirements for the activity over the ten year life of the LTCCP to 30 June 2019.

Overview

The Leadership activity covers the role and functions of the Mayor and elected members of council, who are responsible for community leadership and setting the policy direction for the Upper Hutt City Council. Examples of activities undertaken to fulfil this role include long and short term planning, monitoring and reporting on progress. Council also undertakes continuous consultation on a variety of matters.

The council consists of the Mayor and ten councillors who are elected on a city-wide basis every three years. The 'First Past the Post' electoral system is currently used.

The Local Government Act (LGA) 2002 states:

The purpose of local government is to:

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

Upper Hutt City Council undertakes to:

- conduct its business in an open, transparent, and democratically accountable manner;
- give effect to its identified priorities and desired outcomes in an efficient and effective manner
- collaborate and cooperate with other local authorities and bodies to achieve priorities and desired outcomes efficiently
- undertake any commercial transactions in accordance with sound business practices
- ensure prudent stewardship and the efficient and effective use of resources in the interests of the district
- in taking a sustainable development approach, take into account:
 - the social, economic, and cultural wellbeing of people and communities
 - the need to maintain and enhance the quality of the environment
 - the reasonably foreseeable needs of future generations.

Leadership

Level of service objectives and performance measures

Objective

Council will meet its statutory roles and responsibilities.

1. Elections

Indicator	
Performance Measure	Hold the triennial local authority elections
Target 2011-12	The next election is due to be held in 2013

2. Governance

Indicator	2a. Triennial Agreement
Performance Measure	Prepare the Triennial Agreement with the Regional Council and local authorities within the region
Target 2011-12	Not applicable

Indicator	2b. Governance Statement
Performance Measure	Review the Governance Statement
Target 2011-12	Review by 30 April 2014

Indicator	2c. Code of Conduct
Performance Measure	Review the Code of Conduct
Target 2011-12	Review by 30 April 2014

Indicator	2d. Community Outcomes
Performance Measure	Review the Community Outcomes
Target 2011-12	Review by 30 June 2014

Indicator	2e. LTCCP Review
Performance Measure	Prepare the Long Term Plan
Target 2011-12	Finalise by 30 June 2012

Indicator	2f. Annual Plan
Performance Measure	Prepare the Annual Plan
Target 2011-12	Adopt by 30 June each year

Leadership

Indicator	2g. Annual Report
Performance Measure	Prepare the Annual Report
Target 2011-12	Adopt by 31 October each year

Indicator	2h. Gambling Policy
Performance Measure	Review the Class 4 Gambling and New Zealand Racing Board (including TAB's) Venue Policy
Target 2011-12	Review by 15 May 2013

3. Monitoring

Indicator	3a. Performance Reporting
Performance Measure	Report on financial achievements and performance targets
Target 2011-12	Present Quarterly Performance Report to the Audit Committee

Objective

Council will endeavour to ensure that people are aware of and have the opportunity to express their views on those matters that affect them prior to any decision being made by the council.

4. Information

Indicator	4a. Satisfaction
Performance Measure	Community satisfaction with the provision of information by council
Target 2011-12	90 percent of respondents are satisfied or very satisfied

Indicator	4b. Valley News
Performance Measure	Develop and distribute the Valley News publication quarterly
Target 2011-12	The Valley News is developed and delivered each quarter to as many Upper Hutt residents as feasible

Leadership

Objective

Council will endeavour to ensure that its decisions and leadership meet current needs without compromising the ability of future generations to meet their needs

5. Satisfaction

Indicator	
Performance Measure	Community satisfaction with the elected council's performance in catering for community needs
Target 2011-12	90 percent of respondents are satisfied or very satisfied ¹

¹Annual Community Survey

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	1,926	2,040	2,085	45
Operating income	112	82	38	(44)
Total operating revenue	2,038	2,122	2,123	1
Operating costs	2,068	2,124	2,120	(4)
Interest	0	0	0	0
Depreciation	0	0	0	0
Total operating costs	2,068	2,124	2,120	(4)
Operating surplus/ (deficit)	(30)	(2)	3	5
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	30	2	(3)	(5)
Transfer to funds	0	0	0	0
Total funding required	30	2	(3)	(5)
Funding from non-cash expenses	(4)	2	(3)	(5)
Loans raised	0	0	0	0
Transfer from funds	34	0	0	0
Transfer from funds applied	30	2	(3)	(5)

Economic development

Overview

The Economic Development activity covers promotion for the whole city area, including the visitor industry and business liaison services. A stand alone i-SITE Visitor Centre (within the Tourism NZ Network) is part of the operation. These activities are administered by the Business and Leisure Services Department.

The division actively works with the business sector to identify and support initiatives to foster economic growth and to promote the city, its events and attractions.

Level of service objectives and performance measures

Objective

Council will provide support to local businesses by:

- establishing strong working relationships with local and regional businesses
- identifying and addressing business needs and opportunities
- funding regional marketing initiatives, except those now covered by the Wellington Regional Strategy and funded by Greater Wellington Regional Council rates.

1. Role

Indicator	
Performance Measure	Community satisfaction with the focus of council in supporting Economic Development
Target 2011-12	80 percent of respondents are satisfied or very satisfied ¹

2. Business liaison

Indicator	
Performance Measure	Business satisfaction with liaison between council and the sector
Target 2011-12	

Objective

Council will actively promote Upper Hutt as a great place to live.

3. Promotion

Indicator	3a. i-SITE Visitor Information Centre
Performance Measure	Community satisfaction with services provided by the i-SITE Visitor Information Centre
Target 2011-12	90 percent of respondents are satisfied or very satisfied ¹

Economic development

Indicator	3b. Promotion of City
Performance Measure	Community satisfaction with council's promotion of Upper Hutt
Target 2011-12	87 percent of respondents are satisfied or very satisfied ¹

Objective

Council will stimulate revitalisation of the city centre.

4. Main Street programme

Indicator	4a.
Performance Measure	CBD business owners satisfaction with liaison between Experience Upper Hutt and the CBD
Target 2011-12	90 percent of respondents are satisfied or very satisfied ²

Indicator	4b.
Performance Measure	CBD business owners satisfaction with Experience Upper Hutt's focus on CBD revitalisation
Target 2011-12	90 percent of respondents are satisfied or very satisfied ²

¹Annual Community Survey

²CBD Retailers' Survey

³Annual Business Survey

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Primary projects (new and ongoing)				
Major promotional campaign	65	0	(65)	Rates
Experience Upper Hutt	84	80	(4)	Rates
Smartlinx3	7	0	(7)	Rates
Total economic development works programme	156	80	(76)	

Economic development

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	747	854	815	(39)
Operating income	28	29	28	(1)
Total operating revenue	775	883	843	(40)
Operating costs	777	888	844	(44)
Interest	0	0	0	0
Depreciation	23	21	6	(15)
Total operating costs	800	909	850	(59)
Operating surplus/ (deficit)	(25)	(26)	(7)	19
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	25	26	7	(19)
Transfer to funds	0	0	0	0
Total funding required	25	26	7	(19)
Funding from non-cash expenses	25	26	7	(19)
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Transfer from funds applied	25	26	7	(19)

Community services

Overview

The Community Services activity covers the identification of community and social needs in order to develop and support local initiatives to meet those needs.

The division facilitates community responses to social and cultural issues, and provides information and support to local groups and organisations. It also works with central government and social agencies to deliver practical projects to meet local needs, as well as participating at a regional level on social issues.

The current work programme includes initiatives around engaging our young people in positive participation locally and encouraging leadership; developing and supporting neighbourhoods; and collaborating on initiatives that meet the needs of Upper Hutt seniors. Council is also leading work in a number of areas, such as the Safe Hutt Valley project to enhance community safety, drug and alcohol related harm projects, initiatives to support parents, and events that promote environmental awareness.

For more detail on the Community Development Projects please refer to the Action Plans on the Community Services page on the council website at www.upperhuttcity.com

Proposed projects:

Youth Strategy

Following guidance from a series of in-depth Youth Surveys, Community Services will continue to identify and respond to the needs of young people. Areas of particular focus include depression and harm reduction around drugs and alcohol. Council will once again be engaging with other agencies to address the gaps found in the youth survey. In terms of celebrating success and developing leadership the council will again run the annual Young Achievers Award this year.

Safety, Health and Wellbeing (SHAW)

Community services will continue to provide information and assistance through a number of channels to improve the safety, health and wellbeing of the Upper Hutt population. Two key areas of focus are older adults and disabled people and the actions taken following consultation with these sectors.

Ongoing projects involve safety issues such as family violence, alcohol and graffiti and there has been an increasing need in the area of healthy homes, budgeting and sustainability, consequently more work is planned in terms of public education, as well as resource development and distribution.

Council is resolute in making Upper Hutt a safe and healthy city for our residents. In conjunction with Hutt City Council, and in partnership with New Zealand Police, Regional Public Health, the Hutt Valley District Health Board, and ACC, we were recently awarded the World Health Organisation's (WHO) Safe City accreditation.

Community services

Level of service objectives and performance measures

Objective

Council will support local groups and organisations in meeting the diverse needs of the community.

1. Support of groups

Indicator	
Performance Measure	Rating by community and recreation groups of the value of council support provided
Target 2011-12	95 percent of groups surveyed rate the value of support provided as being satisfactory or better ¹

Objective

Council will support initiatives that enhance social development.

2. Delivery of programmes and projects to the community

Indicator	
Performance Measure	Project milestones are achieved on time, within budget and in line with stakeholder satisfaction
Target 2011-12	100 percent of contractual obligations for externally funded programmes* have been met ² *An example of an externally funded programme is the investment in community safety by the Ministry of Justice

3. Community engagement

Indicator	
Performance Measure	Community is consulted on identified areas of focus on a regular basis and community views are considered when undertaking focus area projects
Target 2011-12	Hold regular meetings with key community stakeholders in identified focus areas* *Examples of current focus areas include: <ul style="list-style-type: none">• children and young people reach their full potential• positive ageing• improving the wellbeing of people with experience of a disability• building capable, sustainable communities• safe and healthy neighbourhoods

¹Annual Community Group Survey

²Contractual or negotiated terms in Funding Agreements have been met

Community services

Works programme	Forecast LTCCP	Forecast Annual Plan	Forecast Variation	Source of Funding
	Year 3 2011-12 (\$000)	Year 3 2011-12 (\$000)	Year 3 2011-12 (\$000)	
Primary projects (ongoing)				
Youth strategy	20	19	(1)	Rates
SHAW - Safety, Health and Wellbeing	27	26	(1)	Rates
Total	47	45	(2)	

Cost of service statement	Forecast Annual Plan	Forecast LTCCP	Forecast Annual Plan	Forecast Variation
	Year 2 2010-11 (\$ 000)	Year 3 2011-12 (\$ 000)	Year 3 2011-12 (\$ 000)	Year 3 2011-12 (\$ 000)
Operating statement				
General rates	576	583	530	(53)
Operating income	110	9	73	64
Total operating revenue	686	592	603	11
Operating costs	687	596	605	9
Interest	0	0	0	0
Depreciation	1	0	0	0
Total operating costs	688	596	605	9
Operating surplus/ (deficit)	(2)	(4)	(2)	2
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	2	4	2	(2)
Transfer to Funds	0	0	0	0
Total funding required	2	4	2	(2)
Funding from non-cash expenses	2	4	2	(2)
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Transfer from funds applied	2	4	2	(2)

Overview

The Activation project aims to improve the health and wellbeing of the community by assisting them to become more active more often.

The key areas of focus are people and projects i.e. a focus on promoting participation in active recreation through provision of programmes, public information, club development and leadership of an active recreation policy and strategy; along with the facilitation of community driven events and activities.

This period of 2009-2019 is the opportunity for council to provide further investment to continue to lead the way in recreation planning and delivery and ensure that the long term behaviour changes and sustainability of the outcomes is achieved.

This plan includes the investment by council of a minimum of five years to fully bed in the impacts made by the project to date. This will ensure core components of the programme will continue. However the extent of council's offering is dependent on also achieving outside contributions from funders like Lion Foundation. As well, council will aim to secure partnerships and funding for the continuation of the entire Activation programme.

For people to be physically active they need opportunities to explore the range of opportunities available, to learn the skills and then develop the confidence and competence to participate regularly. In addition, they require the elimination of barriers created through infrastructure and policy gaps. The Active Recreation plan illustrates the continuum of participation from people starting to explore options for active recreation to those that excel in their area of choice. Activation is about intervention at all stages of the continuum to achieve success.

The Activation team works within council and in the community and with individuals to develop and support physical activity in the city.

At all levels, the principles of the Activation project also meet the sustainable development approach, which is a core feature of local government legislation.

The role of the Activation team is to:

- connect groups together and create networks to enhance physical activity opportunities and reduce duplication of services
- support clubs and groups to provide physical activity and sport services
- provide advice and create awareness about physical activity opportunities
- assist with the development and delivery of programmes and events
- create community change at a population level
- advocate for physical activity opportunities
- monitor and evaluate physical activity in the city
- influence and lead policy and planning as it affects opportunities to participate in recreation
- ensure there are no infrastructure barriers to access.

Activation

Level of service objectives and performance measures

Objective

Council will promote participation in active recreation through the facilitation of community driven events and activities along with the provision of programmes, public information, club development and leadership of active recreation policy and strategy.

1. Opportunities

Indicator	1a. Community information
Performance Measure	Community satisfaction with the provision of information about sport and recreation
Target 2011-12	87 percent of respondents rate the provision of information about sport and recreation as satisfactory or better ¹

Indicator	1b. Access
Performance Measure	Community satisfaction with access to sport and recreation opportunities
Target 2011-12	87 percent of respondents rate access to sport and recreation opportunities as satisfactory or better ¹

Indicator	1c. Participation
Performance Measure	Participation levels in sport and physical activity increase
Target 2011-12	Participation numbers in Activation events and activities increase annually ²

Indicator	1d. Participation
Performance Measure	Club participation numbers for target sports increase
Target 2011-12	3 percent increase in club participation numbers ³

Activation

Objective

Council will partner with external organisations to provide sport and active recreation services.

2. Partnerships

Indicator	
Performance Measure	Positive, ongoing partnerships are developed and maintained that support sport and physical activity in Upper Hutt
Target 2011-12	Targets with Activation partner organisations are met

Objective

Council will monitor the impact of sport and recreation on the health and wellbeing of Upper Hutt residents.

3. Monitoring

Indicator	
Performance Measure	The overall physical activity grade (as per the Active Recreation Project Evaluation report)
Target 2011-12	To achieve a minimum score of 'B' ⁴

¹Annual Community Group Survey

²In-house event monitoring

³In-house club monitoring in conjunction with target clubs

⁴In-house physical evaluation monitoring

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Primary project (ongoing)				
Activation	201	185	(16)	Rates/Grants
Total Activation Works Programme	201	185	(16)	

Activation

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	104	201	185	(16)
Operating income	177	69	122	53
Total operating revenue	281	270	307	37
Operating costs	325	269	307	38
Interest	0	0	0	0
Depreciation	1	1	1	0
Total operating costs	326	270	308	38
Operating surplus/ (deficit)	(45)	0	(1)	(1)
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	45	0	1	1
Transfer to funds	0	0	0	0
Total funding required	45	0	1	1
Funding from non-cash expenses	1	0	1	1
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Accumulated funds	44	0	0	0
Transfer from funds applied	45	0	1	1

Parks and Reserves

Overview

The Parks and Reserves division is responsible for managing the city parks, reserves and public gardens, for now and the future, to:

- meet the recreational needs of the public, including sports groups and all other park users
- provide an attractive open space environment
- provide a selected range of top quality attractions for locals and visitors to Upper Hutt.

Council is involved in this area in order to provide a safe, pleasant, attractive and protected environment for all age groups to enjoy.

Key attractions include Trentham Memorial Park, Maidstone Park and Harcourt Park. In addition, a network of smaller parks throughout the city provide space for organised sport and casual recreation, as well as bush cover and walking tracks.

The Hutt River area, a popular space for informal recreation, is under the control of the Greater Wellington Regional Council. Upper Hutt City Council maintains parts of the riverside, including Moonshine Park, on behalf of the Regional Council.

The council holds a total area of 577ha as parks and reserves. This comprises 34ha of sports fields amounting to 84 sports fields in total (35 for summer sports and 49 for winter sports), 3 regional and 33 neighbourhood playgrounds and 20km of walking and cycling tracks. 220ha of council land is bush covered, of which 12.7ha is fenced for conservation purposes. Public gardens include 5.2ha on road reserves and 5.9ha on parks and reserves. Council owns and maintains 25 public toilets throughout the city.

Proposed projects:

Maidstone Park development plan (\$3,869,000)

\$2.769million has been allocated by Upper Hutt City Council with the remaining contribution of \$1.1million from external funding. The \$2.769 million is to be sourced from the sale of surplus land, the 2009-10 general surplus, the Hillary Commissions Fund, the Reserve Fund contribution and possibly some loan funding.

This year will see the commencement of stage one and two of the Maidstone Park development plan for use by schools, clubs and the wider community. Stage one will involve the development of a full-size artificial hockey turf and car parking. Stage two will be the development of an artificial rugby/soccer turf and a practice turf, a car park and storage shed.

Ongoing revegetation of Maidstone Park

Work will continue on the eradication of unwanted pine trees in the park in order to encourage the regeneration of native trees and shrubs. \$38,000 has been allocated for this work to be carried out in 2011/12.

Parks and Reserves work programme (continued funding)

Other ongoing projects include large specimen tree planting in selected parks and reserves, the native forest management programme and monitoring the native bush. In addition to the maintenance of street trees, reserves and public gardens; planting and mowing reserves, weed control, bush regeneration and graffiti removal. Sports ground and public toilet

Parks and Reserves

maintenance; and development of new, and maintenance of, existing playgrounds and play equipment will also take place.

Level of service objectives and performance measures

Objective

Council will provide parks and reserves that meet community needs for recreation and leisure activities.

1. Satisfaction

Indicator	
Performance Measure	Community satisfaction with the way that parks and reserves meet the survey respondents recreational needs
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹

Objective

Council will provide, maintain and upgrade a selected range of parks, reserves and facilities as regional leisure attractions.

2. Safety

Indicator	
Performance Measure	Playground equipment meets playground safety standards (currently NZS 5828 Playground Equipment and Surfacing)
Target 2011-12	All playground equipment meets current safety standards

Objective

Council will maintain and improve on the environmental quality of its parks and reserves.

3. Native bush cover

Indicator	
Performance Measure	To monitor the indigenous biological diversity in our significant natural areas through the use of five minute bird counts. The results are to be analysed and incorporated in the Regional Native Bird Monitoring Report prepared by the Greater Wellington Regional Council
Target 2011-12	Maintain and/or improve the abundance versus diversity of bird life (per hectare) compared with the 2006/07 benchmark and the regional average ²

Parks and Reserves

Objective

Increasingly Council will enhance the appearance of Upper Hutt through attractive and well placed gardens.

4. Gardens

Indicator	
Performance Measure	Community satisfaction with the city's public gardens
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹

5. Works

Indicator	
Performance Measure	Completion of capital works
Target 2011-12	Works completed within budget and by 30 June each year (Refer to Work Programme)

¹Annual Community Group Survey

²Greater Wellington Regional Council Native Bird Monitoring Report

Parks and Reserves

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Asset management				
Toilets	90	85	(5)	Special Fund - Reserve Fund Contribution
Amenities replacement	80	82	2	Special Fund - Reserve Fund Contribution
New roading seal	20	19	(1)	Special Fund - Reserve Fund Contribution
Renewal roading resealing	52	52	0	Special Fund - Reserve Fund Contribution
Play equipment	72	68	(4)	Special Fund - Reserve Fund Contribution
Capital Works				
Sealing of Hutt River trail	130	0	(130)	Special Fund - Reserve Fund Contribution
Revegetation of Maidstone Park	38	38	0	Special Fund - Reserve Fund Contribution
Large tree planting	7	7	0	Special Fund - Reserve Fund Contribution
Upper Hutt hockey turf	652	3,869	3,217	Special Fund - Reserve Fund Contribution, Civic Amenities Fund, Loan Funding and External Funding
Total capital works expenditure	1,141	4,220	3,079	
Other primary projects (new and ongoing)				
Large trees in reserves	20	20	0	Rates
Native forest management programme	5	5	0	Special Fund - Reserve Fund
Monitoring native bush	4	3	(1)	Special Fund - Reserve Fund
Total Parks and Reserves works programme	1,170	4,248	3,078	

Parks and Reserves

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	2,154	2,358	2,182	(176)
Operating income	111	105	1,230	1,125
Total operating revenue	2,265	2,463	3,412	949
Operating costs	2,363	2,573	2,555	(18)
Interest	15	11	167	156
Depreciation	428	303	377	74
Total operating costs	2,806	2,887	3,099	212
Operating surplus/(deficit)	(541)	(424)	313	737
Capital and reserves funding statement				
Capital expenditure	679	1,141	4,220	3,079
Loans repayments	15	15	19	4
Operating (surplus)/ deficit	541	424	(313)	(737)
Transfer to funds	0	0	0	0
Total funding required	1,235	1,580	3,926	2,346
Funding from non-cash expenses	527	413	478	65
Loans raised	0	0	1,950	1,950
Transfer from funds	708	1,167	1,498	331
Transfer from funds applied	1,235	1,580	3,926	2,346

Overview

H²O Xtream is a fun oriented aquatic facility which opened in 1996. While it has a focus on fun for 10-14 year olds, it is available for use by the community at large. Many users come from around the Wellington region as well as elsewhere in New Zealand, especially over the school holiday periods.

The facility includes:

- leisure pool with wave machine and rapid river
- a 25-metre pool which is used for lane swimming, learn to swim, training in water skills, and a wide range of water activities, including flipperball and hydrorobics
- the toddlers pool
- two hydroslides (Darkness Falls and The Mastablasta) and the Xtream Speed slide
- a spa pool, sauna and steam room
- a café, operated by contract.

H²O Xtream provides an aquatic facility for residents to be proud of. As a provider of aquatic leisure we ensure that all members of the community have the opportunity to be more active more often. This can be achieved by aquatic fun in the waves and on the slides, lane swimming or participating in one of the many group programmes.

H²O Xtream plays an integral role in helping to ensure that all children in the community have the opportunity to learn the necessary skills to swim and survive in the water. Swimming lessons are provided to thousands of children each year through the successful schools curriculum programme and the WaveBreakers Swim School.

As a regional attraction, H²O Xtream brings many people to Upper Hutt from the wider Wellington Region and parts of New Zealand – helping to ensure that Upper Hutt is identified as a key leisure attraction location.

Proposed projects:

Maintenance of H²O Xtream

This year the H²O Xtream facility is scheduled to close for a number of weeks to enable the three-yearly maintenance work to be carried out. This involves work that is unable to be completed while the pool is in operation. The major work being carried out is the replacement of the roof and skylights over the pool hall, plant maintenance which requires the pool to be empty, and general maintenance requirements at a cost of \$1,009,000.

New pool hall lights for H²O Xtream

Currently in the pool facility, scaffolding is required to change light bulbs and fittings. This year council proposes to allocate \$43,000 to install a new lighting system that will remove the need to use scaffolding and the possible risk of fittings falling from the ceiling.

Level of service objectives and performance measures

Objective

H2O Xtream will provide a range of high quality aquatic leisure opportunities for people of all ages and abilities.

1. Satisfaction

Indicator	
Performance Measure	Community satisfaction with the facilities and services provided at H ² O Xtream
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹

2. Use

Indicator	2a.
Performance Measure	Annual Attendance Figures
Target 2011-12	At least 230,000 people visit over the year ²

Indicator	2b.
Performance Measure	Use of H ² O Xtream in the school holidays by the target market (10-14 years)
Target 2011-12	Greater than 55 percent of visitors during the school holidays are in the target market of 10-14 years ²

Indicator	2c.
Performance Measure	Participation in WaveBreakers Swim School
Target 2011-12	Increase participation in the WaveBreakers Swim School from the previous year ²

3. Market leader

Indicator	
Performance Measure	Community rating of the level of 'fun' and 'excitement' at H ² O Xtream
Target 2011-12	95 percent of users are satisfied or very satisfied ¹

H²O Xtream

4. Regional use

Indicator	4a.
Performance Measure	Regional use of H ² O Xtream during school holidays
Target 2011-12	Regional use to exceed 50 percent of school holiday patrons ³

Indicator	4b.
Performance Measure	Regional use and awareness of H ² O Xtream by the target market (10-14 year olds)
Target 2011-12	Increase regional attendance and awareness by the target market on that of the previous survey figures ⁷

Objective

H²O Xtream will meet or exceed all required standards for swimming pool operation.

5. Compliance

Indicator	5a.
Performance Measure	Compliance with all required standards for swimming pool operation
Target 2011-12	Maintain pool operation and water quality in accordance with NZS 5826 Code of Practice for the Operation of Swimming Pool and the supervision of the pool in accordance with the NZ Pool Supervision Standard ⁴

Indicator	5b.
Performance Measure	Pool Safe Accreditation
Target 2011-12	Pool Safe Accreditation achieved ⁵

Objective

Facilitate and enhance community events.

6. Community events

Indicator	
Performance Measure	Develop and enhance community partnership in council supported recreation and event programmes
Target 2011-12	Increased participation of the community in events ⁶

Objective

Council will undertake capital and asset management works in a cost effective manner.

7. Works

Indicator	
Performance Measure	Completion of capital works
Target 2011-12	Works completed within budget and by 30 June each year (refer to Work programme)

¹Annual Community Survey

²In-house H²O Xstream Database Survey

³In-house School Holiday Survey

⁴In-house and external monitoring by Environmental Lab

⁵Pool Safe Assessment

⁶In-house Event Monitoring

⁷Triennial Regional Pool and Parks Survey

H²O Xstream

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Capital works				
Covered area for picnics	9	0	(9)	Special Funds – Reserve Fund Contribution
New pool hall lights for H ² O Xstream	43	43	0	Special Funds – Reserve Fund Contribution
Total capital works expenditure	52	43	(9)	
Asset management				
Closure of pool	1,009	1,009	0	Loans
Other primary project (new)				
Database upgrade for H ² O Xstream	7	0	(7)	Rates
Total	1,068	1,052	(16)	

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	1,215	2,015	1,273	(742)
Operating income	1,466	1,386	1,366	(20)
Total operating revenue	2,681	3,401	2,639	(762)
Operating costs	2,653	3,471	3,602	131
Interest	31	24	99	75
Depreciation	400	373	335	(38)
Total operating costs	3,084	3,868	4,036	168
Operating surplus/ (deficit)	(403)	(467)	(1,397)	(930)
Capital and reserves funding statement				
Capital expenditure	0	52	43	(9)
Loans repayments	40	28	51	23
Operating (surplus)/ deficit	403	467	1,397	930
Transfer to funds	0	0	0	0
Total funding required	443	547	1,491	944
Funding from non-cash expenses	407	395	347	(48)
Loans raised	0	0	1,000	1,000
Transfer from Funds	36	152	144	(8)
Transfer from funds applied	443	547	1,491	944

Overview

Upper Hutt City Library, a community centre for living, learning and leisure!

The library collects and maintains a wide range of information, recreational and local history material for the benefit of the entire Upper Hutt community. Access to the resources, both physical and digital is provided through a wide range of programmes and services to enable all sectors of the community to benefit from them. Specific emphasis is given to providing services to those groups with the greatest need and least ability to independently access the library. There is a strong focus on providing early literacy programmes and developing a love of reading in children. Barriers to physically accessing library services are addressed through the library's website and Outreach programmes.

Public Libraries engage, inspire and inform people and help build strong communities!

Even with today's technology, libraries and book numbers have not shrunk in size. Instead modern public libraries provide for integration of the printed format along with technological experiences in various formats; spaces for reading; comfortable seating; and places to engage, discuss or simply feel connected to the community and the wider world. These libraries are community owned, free to access, comfortable, vibrant and they are popular places to visit. They continue to be a trusted place to go for information. They provide support to grow skills; offer experiences to build confidence; create opportunities to engage in programmes and activities; or simply just a space to kick back and relax in a living room away from home. Successful public libraries are full of people; the community are visiting their library more often and they are staying longer.

Level of service objectives and performance measures

Objective

Council will provide an accessible and relevant library service to meet the needs of the community.

1. Access

Indicator	1a. Use
Performance Measure	Community use of the library services
Target 2011-12	Increase the number of issues, physical visits and website visits from that of the previous year ^{2,3}
Indicator	1b. Customer service
Performance Measure	Community satisfaction with the level of customer service provided by library staff
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹

Library

2. Relevance

Indicator	2a. Range of resources
Performance Measure	Community satisfaction with the range and quality of resources (e.g. books, DVDs, CDs) available at the library
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹

Objective

Council will undertake capital and asset management works in a cost effective manner.

3. Works

Indicator	
Performance Measure	Completion of capital works
Target 2011-12	Works completed within budget and by 30 June each year (refer to Work programme)

¹Annual Community Survey

²Website Server Database Survey

³Horizon Database Survey

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Asset management				
Equipment replacements	5	8	3	Rates
Capital works				
Library resources	344	318	(26)	Rates
Total capital works expenditure	349	326	(23)	

Library

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	2,054	2,198	2,209	11
Operating income	260	240	287	47
Total operating revenue	2,314	2,438	2,496	58
Operating costs	1,875	1,947	2,006	59
Interest	77	80	80	0
Depreciation	428	549	420	(129)
Total operating costs	2,380	2,576	2,506	(70)
Operating surplus/(deficit)	(66)	(138)	(10)	128
Capital and reserves funding statement				
Capital expenditure	2,360	349	326	(23)
Loans repayments	35	71	71	0
Operating (surplus)/ deficit	66	138	10	(128)
Transfer to funds	20	19	20	1
Total funding required	2,481	577	427	(150)
Funding from non-cash expenses	441	577	427	(150)
Loans raised	1,204	0	0	0
Transfer from funds	836	0	0	0
Transfer from funds applied	2,481	577	427	(150)

Expressions Arts and Entertainment Centre

Overview

The Expressions Arts and Entertainment Centre activity covers the provision of cultural, arts and leisure opportunities in the city, based in the centre complex.

Expressions Arts and Entertainment Centre opened in September 2003, and has been leased to the Expressions Arts and Entertainment Trust. The Trust is charged with managing the facility and the advancement of, and education in, cultural activities, the arts, recreation and leisure. It is classed as a Council Controlled Organisation.

The Centre includes the Genesis Energy Theatre (a 200-seat theatre), the Rotary Foyer, Mount Marua and Vector exhibition galleries, the Riverstone Recreation sport and recreation hall, a café and offices. The council owns the Expressions Arts and Entertainment Centre, including ancillary equipment. For more information refer to the Property Asset Management Plan 2008.

Under the Local Government Act 2002, council is required to promote the social, economic, environmental and cultural wellbeing of communities, in the present and for the future.

The Expressions Arts and Entertainment Centre contribute to the cultural and economic wellbeing of Upper Hutt by:

- educating the community about the arts
- contributing to the economic development of the city e.g. attracting visitors
- providing opportunities for shared community and cultural experiences
- enabling the community to celebrate their cultures and identities through participation in the arts
- encouraging and supporting local artists to share their creativity and innovation with the community
- providing a venue where the arts, sports, recreation and social activities can be accessed by all in the community.

Proposed project:

Motorised lift/ladder for Expressions Arts and Entertainment Centre

The new genie is a specialised motorised lift (akin to a cherry picker) for use throughout the Expressions Arts and Entertainment Centre. It will be used for adjusting lights and sets etc.

Expressions Arts and Entertainment Centre

Level of service objectives and performance measures

Objective

Council will ensure provision of a quality facility for cultural, arts, leisure and recreation.

1. Opportunities

Indicator	1a. Satisfaction
Performance Measure	Community satisfaction with the range and number of arts opportunities in the city
Target 2011-12	92 percent of respondents are satisfied or very satisfied ¹

Indicator	1b. Attendance at events
Performance Measure	Number of visitors to arts, cultural and recreational events at the Expressions Arts and Entertainment Centre
Target 2011-12	51,000 visitors ²

Indicator	1c. Attendance at exhibitions
Performance Measure	Number of visitors to exhibitions at the Expressions Arts and Entertainment Centre
Target 2011-12	15,000 visitors ²

¹Annual Community Survey

²In-house Expressions Survey

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Capital works				
Plant and equipment	31	31	0	Special Funds – Plant Renewal
Total capital works expenditure	31	31	0	

Expressions Arts and Entertainment Centre

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	709	732	793	61
Operating income	13	14	14	0
Total operating revenue	722	746	807	61
Operating costs	770	751	807	56
Interest	0	0	0	0
Depreciation	188	382	175	(207)
Total operating costs	958	1,133	982	(151)
Operating surplus/(deficit)	(236)	(387)	(175)	212
Capital and reserves funding statement				
Capital expenditure	29	31	31	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	236	387	175	(212)
Transfer to Funds	25	2	2	0
Total funding required	290	420	208	(212)
Funding from non-cash expenses	191	389	177	(212)
Loans raised	0	0	0	0
Transfer from funds	29	31	31	0
Accumulated funds	70	0	0	0
Transfer from funds applied	290	420	208	(212)

Overview

The Property division covers the management of a range of properties owned by council, but not currently needed for specific council activities, as well as two leased Railway Avenue properties, Harcourt Holiday Park, the Community Houses and miscellaneous property. The Hapai Club is also managed by the Property division; however the usage (hire/booking services) is managed by the Recreational Services division of council.

Generally, these properties have been acquired for roading purposes, strategic purposes or parks development. For more information refer to the Property Asset Management Plan 2008.

Level of service objectives and performance measures

Objective

Council will manage its property to a 'fit for purpose' standard based on current use but without compromising the intended long term use of the property.

1. Occupancy

Indicator	
Performance Measure	Occupancy rate for all of council's rental housing
Target 2011-12	95 percent occupancy rate ¹

¹In-house Monitoring Process, using Management Consultant's data

Property

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	(22)	(109)	(37)	72
Operating income	123	284	147	(137)
Total operating revenue	101	175	110	(65)
Operating costs	102	175	110	(65)
Interest	0	0	0	0
Depreciation	162	146	131	(15)
Total operating costs	264	321	241	(80)
Operating surplus/(deficit)	(163)	(146)	(131)	15
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	163	146	131	(15)
Transfer to funds	3	3	4	1
Total funding required	166	149	135	(14)
Funding from non-cash expenses	163	146	131	(15)
Loans raised	0	0	0	0
Transfer from funds	3	3	4	1
Transfer from funds applied	166	149	135	(14)

Akatarawa Cemetery

Overview

This activity covers the management of the Akatarawa Cemetery by the Parks and Reserves division.

Council provides land and facilities for burial of people and a place for remembrance. It is council's aim to provide an attractive, peaceful and tranquil atmosphere for the benefit of all users.

Council also provides a cemetery database, which allows users to view the precise locations (via GPS readings) of all plaques and headstones at the Akatarawa Cemetery. The database can be viewed via the council's website and is already proving to be a valuable tool for researchers and family tree genealogical enquiries.

The cemetery, which covers 11.29ha of land, is operated on a daily basis by the Sexton, who also provides information on where people are buried, interments, reserve plots and genealogy enquiries. Most of the physical work is carried out under contract.

Joint operations between Upper Hutt and Hutt City Council at the Akatarawa Cemetery commenced in 2008.

The Assessment of Water and Sanitary Services 2005 discusses the provision of cemetery and crematorium services in Upper Hutt City. The key focus of the Assessment is the protection of public health in the city.

For more information refer to the Parks and Reserves Asset Management Plan 2008.

Level of service objectives and performance measures

Objective

Akatarawa Cemetery will be managed as an attractive, restful memorial park.

1. Satisfaction

Indicator	
Performance Measure	Satisfaction with the services provided at Akatarawa Cemetery
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹

¹Annual Community Survey

Akatarawa Cemetery

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	(2)	0	1	1
Operating income	234	239	253	14
Total operating revenue	232	239	254	15
Operating costs	227	236	251	15
Interest	0	0	0	0
Depreciation	4	3	6	3
Total operating costs	231	239	257	18
Operating surplus/(deficit)	1	0	(3)	(3)
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	(1)	0	3	3
Transfer to funds	4	5	4	(1)
Total funding required	3	5	7	2
Funding from non-cash expenses	3	5	7	2
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Transfer from funds applied	3	5	7	2

Emergency management

Overview

Council develops, implements and monitors city-wide emergency management plans, and promotes community preparedness for emergencies.

Under the 2002 Civil Defence Emergency Management Act, council is required to work cooperatively with other authorities in the region to plan for, and respond to, hazards, risks and emergencies. Council also has plans in place for dealing with and preventing rural fires. Council maintains the in-house capacity to coordinate responses to civil defence and rural fire emergencies, through our agreement with Hutt City Council.

This activity is fundamental to achieving city-wide preparedness for emergencies. There is also a legal requirement for this activity under the Forest and Rural Fires Act 1977 and the Civil Defence Emergency Management Act 2002. The Upper Hutt City Council works under the auspices of Reduce, Readiness, Response and Recovery.

Upper Hutt and Hutt City Councils have an agreement for the joint provision of emergency management services and day-to-day rural fire operations.

Proposed project:

Replacement vehicle

This year \$74,000 has been set aside for Rural Fire vehicle replacement.

Level of service objectives and performance measures

Objective

Council will ensure that an appropriate civil defence emergency response system is operational for Upper Hutt.

1. Emergency management compliance

Indicator	
Performance Measure	Emergencies are responded to in accordance with the Wellington Regional Civil Defence Emergency Management Group Plan and the Civil Defence Emergency Management Act 2002
Target 2011-12	100 percent compliance ²

2. Community preparedness

Indicator	
Performance Measure	Annual Community Survey households prepared for a Civil Defence emergency
Target 2011-12	62 percent of households are prepared for a Civil Defence emergency ¹

Emergency management

3. Training

Indicator	
Performance Measure	Undertake staff training each year pertinent to the Coordinated Incident Management System model to ensure operational capacity.
Target 2011-12	Hold at least one major training exercise per year to test readiness, response and recovery practice and procedures ²

Objective

Council will ensure that an efficient system for reducing and suppressing fires in the Upper Hutt Rural Fire District is operative.

4. Rural fire compliance

Indicator	
Performance Measure	Rural fires are responded to in accordance with the Upper Hutt City Rural Fire Plan and the Forest and Rural Fires Act 1977 and the Forest and Rural Fires Regulations 2005
Target 2011-12	100 percent compliance ²

Objective

Council will undertake capital and asset management works in a cost effective manner.

5. Works

Indicator	
Performance Measure	Capital Works completion
Target 2011-12	Works completed within budget and by 30 June each year (refer to Works programme)

¹ Annual Community Survey

² In-house Monitoring

Emergency management

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
	Capital works			
Vehicles	74	74	0	Special Funds - Plant Renewal
Total capital works expenditure	74	74	0	

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
	Operating statement			
General rates	470	486	473	(13)
Operating income	24	33	10	(23)
Total operating revenue	494	519	483	(36)
Operating costs	447	470	431	(39)
Interest	0	0	0	0
Depreciation	38	33	29	(4)
Total operating costs	485	503	460	(43)
Operating surplus/(deficit)	9	16	23	7
Capital and reserves funding statement				
Capital expenditure	0	74	74	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	(9)	(16)	(23)	(7)
Transfer to Funds	48	52	52	0
Total funding required	39	110	103	(7)
Funding from non-cash expenses	39	36	30	(6)
Loans raised	0	0	0	0
Transfer from funds	0	74	73	(1)
Transfer from funds applied	39	110	103	(7)

Overview

The City Planning team is responsible for promoting the sustainable management of the city's physical and natural resources in a manner that is consistent with the Resource Management Act 1991, and other relevant policy statements and plans. This includes:

- preparation and review of the District Plan
- administration of the District Plan and resource consents
- provision of information on resource management matters, including monitoring of the local environment
- implementation of the Urban Growth Strategy.

Liaison with other agencies, such as the Greater Wellington Regional Council, the Ministry for the Environment and local iwi is also important, particularly in preparing and administering the District Plan, providing environmental information and in considering the sustainable management of the city within a regional context.

Council has a statutory obligation to be involved. The work of the City Planning team also influences the future direction of development in the city by balancing the demand for rural lifestyle developments, identifying suitable new areas for residential development, balancing the demands for employment growth and protecting significant landscape features.

Proposed projects:

Maymorn structure plan - a key growth site identified by the Urban Growth Strategy

Council proposes to continue with the preparation of a structure plan for the Maymorn area to enable future urban development. A draft structure plan will inform a change to the Upper Hutt District Plan.

City planning projects

Council will implement the findings of the Southern Hills Environmental Management Study completed in 2008 by Boffa Miskell, in order to protect the ridgeline of the southern hills of the city from inappropriate use and development.

A review of District Plan provisions relating to tree protection within Upper Hutt will reword the Schedule of Notable Trees, and review the existing zonings which afford protection to trees, in the light of changes to the Resource Management Act.

Level of service objectives and performance measures

Objective

Council will meet all relevant statutory requirements.

1. Timeliness resource consents

Indicator	
Performance Measure	Process resource consents within the statutory timeframes
Target 2011-12	Process 95 percent of all resource consents within the statutory timeframes ²

Objective

Council will achieve the sustainable management of Upper Hutt's natural and physical resources.

2. Satisfaction

Indicator	
Performance Measure	Community satisfaction with council's current resource management practices
Target 2011-12	87.5 percent of respondents are satisfied or very satisfied ¹

3. Information

Indicator	
Performance Measure	Response to customer enquiries
Target 2011-12	Respond within one working day to 90 percent of requests made ²

4. Compliance

Indicator	
Performance Measure	Response to District Plan compliance complaints
Target 2011-12	Provide initial response to complaint within one working day to 90 percent of requests made ²

5. Urban Growth Strategy

Indicator	
Performance Measure	Urban Growth Strategy Implementation Programme
Target 2011-12	Implement District Plan changes in accordance with the timeline approved by council ²

¹Annual Community Survey

²In-house Monitoring

City planning

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
	Primary projects (new and ongoing)			
Urban growth strategy	38	38	0	Rates
Total	38	38	0	

Note: two projects, sustainability strategy and eco-friendly incentives were transferred to Support Services from the LTCCP projections

Approved carryover projects from previous year's budget	Funded by
Urban Growth Strategy	35 Rates

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
	Operating statement			
General rates	1,158	1,118	1,005	(113)
Operating income	447	803	609	(194)
Total operating revenue	1,605	1,921	1,614	(307)
Operating costs	1,544	1,402	1,317	(85)
Interest	0	0	0	0
Depreciation	0	0	0	0
Total operating costs	1,544	1,402	1,317	(85)
Operating surplus/(deficit)	61	519	297	(222)
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	(61)	(519)	(297)	222
Transfer to funds	200	528	300	(228)
Total funding required	139	9	3	(6)
Funding from non-cash expenses	5	9	3	(6)
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Accumulated funds	134	0	0	0
Transfer from funds applied	139	9	3	(6)

Building and Compliance Services

Overview

The Building and Compliance Services division is responsible for a group of four activities that share a common theme of managing a range of regulatory responsibilities for the benefit of the community as a whole.

1. Environmental Health

The Environmental Health activity is responsible for promoting public health and safety within the community. A wide range of regulations and bylaws are enforced, covering such matters as:

- maintenance of standards in food premises
- investigation of the circumstances relating to infectious diseases
- noise control
- pollution control (for those matters not dealt with by the Greater Wellington Regional Council)
- liquor licensing
- monitoring of non commercial premises storing hazardous goods.

Upper Hutt City Council contracts out its environmental services to Hutt City Council. However, the Environmental Health Officer operates from the Upper Hutt City Council Building.

2. Building Control

The Building Act 2004 creates two clear operational roles for council, these are - its role as a territorial authority and its role as a building consent authority. In practice, however, both of these roles are managed as one operation.

As a Territorial Authority council performs the following main functions:

- issues Project Information Memorandums
- issues Certificates of Acceptance
- issues Amendments to (existing) Compliance Schedules.

As a Building Consent Authority council performs the following main functions:

- issues Building Consents
- inspects building work
- issues Notices to Fix
- issues Compliance Schedules
- issues Code of Compliance Certificates.

Building and Compliance Services

3. Animal control

The animal control activity endeavours to control dog nuisances and wandering stock within the city. This service includes:

- responding to dog and stock related complaints
- investigating dog attacks
- impounding dogs and stock.

Upper Hutt City Council boards all impounded dogs at the Hutt City Council pound facility in Meachen Street, Seaview.

4. Parking enforcement

The parking enforcement division is responsible for the management of parking within the Central Business District and suburban shopping areas. The council provides free parking in order to foster commercial development, but requires that people observe parking limits and have current registration and warrant of fitness certificates. This division also oversees the removal of abandoned vehicles.

Level of service objectives and performance measures

1. Environmental Health

Objective

Council will meet all relevant statutory requirements in respect of Environmental Health.

1. Timeliness

Indicator	1a. Food premises
Performance Measure	Inspection
Target 2011-12	Complete annual inspection of all premises requiring health registration by 30 June ²

Indicator	1b. Hairdresser premises
Performance Measure	Inspection
Target 2011-12	Complete annual inspection of all premises requiring health registration by 30 June ²

Indicator	1c. Premises with liquor licenses
Performance Measure	Inspection
Target 2011-12	Complete inspection of all premises due for renewal ²

Building and Compliance Services

Indicator	1d. Infectious diseases
Performance Measure	Response time
Target 2011-12	Make initial contact with affected person within two working days where practical ²

Indicator	1e. Excessive noise
Performance Measure	Response time
Target 2011-12	Respond within one hour to 90 percent of excessive noise complaints received ²

Indicator	1f. Liquor Licence (Special Licence)
Performance Measure	Process time
Target 2011-12	Licence application to be processed within five working days excluding the time taken by police for their checks ²

²In-house Monitoring.

2. Building Control

Objective

Council will meet all relevant statutory requirements in respect of Building Control.

2. Timeliness

Indicator	2a. Building consents
Performance Measure	Process time
Target 2011-12	<ul style="list-style-type: none"> Process 90 percent of consents having a value less than \$500,000 within 13 working days² Process 100 percent within 20 working days

Indicator	2b. Land Information Memorandum
Performance Measure	Process time
Target 2011-12	Process LIMs within 10 working days ²

Indicator	2c. Warrant of Fitness
Performance Measure	Current Warrant of Fitness
Target 2011-12	100 percent of qualifying buildings have a current Warrant of Fitness or are the subject of investigation and enforcement ²

Building and Compliance Services

Indicator	2d. User service satisfaction
Performance Measure	Building Consent applicants satisfaction with service
Target 2011-12	90 percent of respondents are satisfied or very satisfied ³

²In-house Monitoring

³Building Consents Survey

3. Animal control

Objective

Council will meet all relevant statutory requirements in respect of animal control.

Indicator	3a. Timeliness
Performance Measure	Response time to reports of dog attacks.
Target 2011-12	Make initial contact with complainant within two hours for 90 percent of dog attacks received ²

Indicator	3b. Satisfaction
Performance Measure	Community satisfaction with control of dog nuisances in the city
Target 2011-12	82 percent of respondents are satisfied or very satisfied ¹

¹Annual Community Survey

²In-house Monitoring

4. Parking enforcement

Objective

Council will meet all relevant statutory requirements in respect of parking enforcement.

4. Satisfaction

Indicator	
Performance Measure	Community satisfaction with enforcement of parking requirements in the CBD
Target 2011-12	88 percent of respondents are satisfied or very satisfied ¹

¹Annual Community Survey

Building and Compliance Services

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	313	297	436	139
Operating income	1,512	1,534	1,468	(66)
Total operating revenue	1,825	1,831	1,904	73
Operating costs				
Operating costs	1,862	1,855	1,928	73
Interest	0	0	0	0
Depreciation	21	20	13	(7)
Total operating costs	1,883	1,875	1,941	66
Operating surplus/(deficit)	(58)	(44)	(37)	7
Capital and reserves funding statement				
Capital expenditure	13	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	58	44	37	(7)
Transfer to Funds	0	0	0	0
Total funding required	71	44	37	(7)
Funding from non-cash expenses				
Funding from non-cash expenses	32	31	17	(14)
Loans raised	0	0	0	0
Transfer from funds	27	13	20	7
Accumulated funds	12	0	0	0
Transfer from funds applied	71	44	37	(7)

Overview

The Roding division is responsible for the land transport activity and covers management of all land transport matters, including the city's network of local roads.

Part of council's function is to ensure that the residents and visitors to Upper Hutt can move freely, efficiently and safely throughout the city. The Land Transport Programme provides the means of doing this by ensuring that there is a well maintained roading network that permits easy access to all parts of the city and that integrates with the public transport system.

The roading network is made up of 238km of roads, virtually all of which are sealed. These comprise of 155.5km of sealed urban road, 82.5km of sealed rural road and 1.3km of unsealed rural road. Upper Hutt also contains 46 road bridges, 6 foot bridges, and 12 off-road carparks, with a total replacement value of \$518.4 million excluding land value. Council undertakes roading improvements; manage roundabouts, street cleaning, and development and enhancement of cycleways, footpaths and street lights. State Highway 2 runs the length of the district, from Silverstream through to the Rimutaka Summit, linking Upper Hutt to Lower Hutt, Wellington and the Wairarapa. We also undertake mowing (to improve road safety) and future planning – including working with regional partners and government agencies on current and future transport matters that impact our city.

State Highway 58, although largely outside of Upper Hutt, provides an important link across to Porirua and the Kapiti Coast. The highway system is the responsibility of New Zealand Transport Agency.

Part XXI, section 319 of the Local Government Act 1974 places a requirement on council to construct (upgrade) and repair roads in such a manner as the council sees fit.

Each year council prepares a District Land Transport Programme. This District Land Transport Programme becomes an integrated part of the Regional Transport Plan of the Land Transport Amendment Act 2008 and is aimed at achieving an affordable, integrated, safe, responsive and sustainable land transport system for the city which is consistent with the relevant Government Policy Statement. It also considers the Regional Land Transport Strategy.

Preparation of the District Land Transport Programme is part of the Long Term Council Community Plan process and takes into account how each activity or activity class:

- assists economic development
- assists safety and personal security
- improves access and mobility
- protects and promotes public health
- ensures environmental sustainability.

Proposed project:

Enhance cycle and walkway linkages

It is proposed that the Hutt River Trail be extended along the stop bank from Moonshine Bridge to opposite Poplar Grove with a sealed surface suitable for walking and cycling. The cost of this project is \$642,000 of which council will allocate 45 percent and NZTA will contribute 55 percent.

Land transport

Level of service objectives and performance measures

Objective

Council will maintain a safe local roading network with a high quality riding surface and effective directional signage, street lighting and road markings.

1. Road surfaces

Indicator	1a. Average smoothness of all city roads
Performance Measure	NAASRA* counts
Target 2011-12	The average roughness of all roads is less than or equal to 125 NAASRA counts ²

Indicator	1b. Smoothness of urban sealed roads
Performance Measure	NAASRA* counts
Target 2011-12	Length of urban roads with a roughness less than 150 NAASRA counts is greater than or equal to 75% ²

Indicator	1c. Smoothness of rural sealed roads
Performance Measure	NAASRA* counts
Target 2011-12	Length of rural roads with a roughness less than 150 NAASRA counts is greater than or equal to 70% ²

2. Road riding surface

Indicator	
Performance Measure	Community satisfaction with the riding surface of the city's roads
Target 2011-12	91 percent of respondents rate the road riding surface as satisfactory ¹

3. Safety

Indicator	3a. Road design
Performance Measure	Carry out an investigation on each black spot identified in the safety report prepared by the Land Transport Safety Authority
Target 2011-12	Investigations will be undertaken on identified black spots on all local streets that have had a significant increase in crashes in the past year ³

Indicator	3b. Road marking satisfaction
Performance Measure	Community satisfaction with the city's road markings
Target 2011-12	92 percent of survey respondents rate the city's road markings as satisfactory or better ¹

Land transport

4. Street lighting

Indicator	
Performance Measure	Street lights inspection
Target 2011-12	Achieve a minimum 97.5 percent of streetlights working in the annual citywide streetlight inspection ⁴

5. Satisfaction

Indicator	5a. Streetlights
Performance Measure	Community satisfaction with the street lighting throughout the city
Target 2011-12	90 percent of community survey respondents rate street lighting as satisfactory or better ¹

Indicator	5b. Street cleanliness
Performance Measure	Community satisfaction with the cleanliness of the city's streets
Target 2011-12	90 percent of respondents rate street cleanliness as satisfactory or better ¹

Indicator	5c. Directional signage
Performance Measure	Community satisfaction with the city's directional signage
Target 2011-12	90 percent of respondents rate directional signage as satisfactory or better ¹

Objective

Council will provide convenient car parking for the central city and commuters.

6. Road surfaces

Indicator	1a. Car parks satisfaction
Performance Measure	Community satisfaction with the city's car parks
Target 2011-12	90 percent of respondents rate car parks as satisfactory or better ¹

Land transport

Objective

Council will provide attractive and safe conditions for pedestrians and cyclists.

7. Footpaths

Indicator	7a. Footpath condition
Performance Measure	Assessment of footpath conditions to mitigate dangerous surface conditions developing
Target 2011-12	85 percent of all footpaths are rated as having a defects value of 29 or less ⁵

Indicator	7b. Footpath satisfaction
Performance Measure	Community satisfaction with footpaths in commercial and residential areas
Target 2011-12	90 percent of survey respondents rate footpaths in commercial and residential areas as satisfactory or better ¹

Objective

Council will undertake capital and asset management works in a cost effective manner.

8. Works

Indicator	
Performance Measure	Completion of Capital Works (Refer to Work Programme)
Target 2011-12	Works completed within budget

¹NAASRA counts are a standard measure of the road surface riding comfort. Typically, the roughness value for a new road is between 70 and 90 NAASRA counts per kilometre.

²Annual Community Survey

³In-house monitoring using data received from the Road Asset Maintenance Management System contract

⁴Identified in the Upper Hutt safety report prepared by the New Zealand Transport Agency and measured as crashes per 100 million vehicle-kilometres travelled on local roads.

⁵Annual Street lighting Survey

⁶Rating is measured as a computation of the number of defects over a 50 metre length with a weighting for severity. Defects are measured as part of the Road Asset Maintenance Management System rating surveys.

Land transport

Works programme	Forecast	Forecast	Forecast	Source of Funding 2011-12
	LTCCP	Annual Plan	Variation	
	Year 3	Year 3	Year 3	
	2011-12	2011-12	2011-12	
	(\$000)	(\$000)	(\$000)	
Asset management				
Street drainage	307	307	0	Rates/Land Transport New Zealand (LTNZ)
Resealing	1,087	884	(203)	Rates/LTNZ
Road marking and signage	289	271	(18)	Rates/LTNZ
Lighting	249	248	(1)	Rates/LTNZ
Minor safety	289	265	(24)	Rates/LTNZ/Other Income/Special Fund, Rooding Development Contribution
Bridge refurbishments	1,055	0	(1,055)	Loans/LTNZ
Footpaths	382	382	0	Rates
Carparks and bus shelters	35	19	(16)	Rates/Greater Wellington Regional Council/Accumulated Funds
Litter bin replacement	4	4	0	Rates
Enhance cycle and walkway Linkages - Hutt River Trail Extension on stopbank	642	642	0	Loans/LTNZ
Miscellaneous work	73	73	0	Rates/Special Funds - Blue Mountain Road
Capital works				
Gibbons Street project	4	0	(4)	Rates
Rural roads upgrades	343	213	(130)	Special Funds -Rooding Development Contribution
Total land transport works programme	4,759	3,308	(1,451)	

Approved carryover projects from previous year's budget	Funded by
Akatarawa Bridge refurbishment	2,000 Loans/LTNZ subsidies
SH2 Gibbons to CBD	154 Rates/LTNZ subsidies
Walking and cycling strategy	38 Rates/LTNZ subsidies
CBD development	56 Loan
Katherine Mansfield upgrade	30 Rooding development contribution
Minor safety entrance signs	60 Rates/subsidies
Total	2,338

Land transport

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	4,465	4,393	4,577	184
Operating income	5,874	4,459	3,443	(1,016)
Total operating revenue	10,339	8,852	8,020	(832)
Operating costs	3,619	3,704	3,704	0
Interest	404	393	424	31
Depreciation	4,255	3,668	4,030	362
Total operating costs	8,278	7,765	8,158	393
Operating surplus/(deficit)	2,061	1,087	(138)	(1,225)
Capital and reserves funding statement				
Capital expenditure	7,557	4,759	3,308	(1,451)
Loans repayments	284	300	285	(15)
Operating (surplus)/deficit	(2,061)	(1,087)	138	1,225
Transfer to Funds	171	157	173	16
Total funding required	5,951	4,129	3,904	(225)
Funding from non-cash expenses	3,474	2,972	3,294	322
Loans raised	2,254	764	289	(475)
Transfer from funds	223	393	321	(72)
Accumulated funds	0	0	0	0
Transfer from funds applied	5,951	4,129	3,904	(225)

Overview

The water supply activity covers the provision of a safe, reliable and potable supply of water for domestic, business and fire fighting purposes to urban Upper Hutt and parts of the rural areas.

Bulk water is purchased from the Greater Wellington Regional Council and stored in the city council's reservoirs prior to distribution to householders and businesses within the supply area.

For a number of years now the water supply system has consistently achieved an Aa grading from the Ministry of Health. This is the highest possible standard, and means that there is the lowest possible risk of contamination to the water supply and distribution systems. In terms of the most recent assessment our network - we were rated 'a' and water treatment was rated 'A'.

Part of the regional water supply system is located in Upper Hutt, including the water catchment areas, treatment station, bulk water mains and bulk water storage lakes at Kaitoke. These are not part of the City Council's responsibility.

The council owns 16 reservoirs, 8 pump stations, 276km of water mains, 12,204 service connections, 1518 hydrants, and 3302 valves with a total replacement value of \$101 million. For more information refer to the Water Supply Asset Management Plan 2010, the Telemetry Asset Management Plan 2010, and the Water Supply Disaster Recovery Plan 2009.

The Assessment of Water and Sanitary Services 2005 discusses the provision of water supply services in Upper Hutt City. The key focus of the Assessment is the protection of public health in the city.

The water supply activity directly supports the achievement of a number of strategic objectives and community outcomes. By providing a safe and reliable potable water supply the council aims to safeguard public health and safety, protect our environment from pollution, encourage sustainability through water conservation, as well as support the economic growth of the city.

Legislative requirements include:

- section 130 of the Local Government Act 2002 requires council to provide water services and maintain the capacity to do so
- sections 23 and 29 of the Health Act 1956 requires council to "*improve, promote and protect public health*" within the district as necessary. Section 29 defines what constitutes a nuisance for the purposes of the Act. The term nuisance includes situations that may arise if no water supply services are provided. Section 30 states that it is an offence to let a nuisance continue.

Proposed project:

Emerald Hill Pressure Management Project

The purpose of this project is to integrate the Emerald Hill water supply area into the Timberlea water reservoirs reticulation and use the capacity of Emerald Hill reservoir more effectively.

\$102,000 has been set aside for the work that will be carried out this year.

Water supply

Level of service objectives and performance measures

Objective

Council will maintain a high quality water supply with minimal interruptions.

1. Quality

Indicator	
Performance Measure	NZ Drinking Water Standard
Target 2011-12	Maintenance of our existing Aa grading ²

2. Satisfaction

Indicator	
Performance Measure	Community satisfaction with the reticulated water supply service
Target 2011-12	95 percent of survey respondents are satisfied or very satisfied ¹

3. Continuity of supply

Indicator	
Performance Measure	Interruptions to the water supply
Target 2011-12	<ul style="list-style-type: none">95 percent of individual consumers who experience water disruptions have the service restored within two hours³Fewer than four supply cuts per 100 connections³

4. System integrity

Indicator	
Performance Measure	Monitor minimum night flow between 1:00am and 4:30am
Target 2011-12	Annual average minimum night flow not to exceed 65 litres per second ⁴

5. Consumption

Indicator	
Performance Measure	Overall reduction in residential consumption
Target 2011-12	Reduce residential consumption to 250m ³ per year or below

Water supply

Objective

Council will provide a water supply that meets the requirements for fire fighting.

6. Fire standards

Indicator	
Performance Measure	Meet fire fighting requirements for water supply
Target 2011-12	95 percent of fire hydrants tested meet pressure and flow requirements specified in the Code of Practice for Fire Fighting Water Supplies ⁵

Objective

Council will undertake capital and asset management works in a cost effective manner.

7. Works

Indicator	
Performance Measure	Completion of Capital Works
Target 2011-12	Works completed within budget (Refer to Work Programme)

¹Annual Community Survey

²Ministry of Health Rating

³In-house monitoring of maintenance contract

⁴In-house monitoring using bulk and area meters

⁵Monitoring of data supplied by New Zealand Fire Service

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Asset management				
Pipeline renewal	1,287	1,120	(167)	Targeted rates
Miscellaneous works	15	18	3	Targeted rates
Capital works				
Pressure management	106	102	(4)	Loans
Total capital works expenditure	1,408	1,240	(168)	

Water supply

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	3,884	4,337	4,358	21
Operating income	1,532	1,577	1,445	(132)
Total operating revenue	5,416	5,914	5,803	(111)
Operating costs				
Operating costs	4,206	4,370	4,403	33
Interest	49	39	39	0
Depreciation	1,267	1,102	1,208	106
Total operating costs	5,522	5,511	5,650	139
Operating surplus/(deficit)	(106)	403	153	(250)
Capital and reserves funding statement				
Capital expenditure	1,340	1,408	1,240	(168)
Loans repayments	74	63	63	0
Operating (surplus)/deficit	106	(403)	(153)	250
Transfer to funds	0	0	0	0
Total funding required	1,520	1,068	1,150	82
Funding from non-cash expenses				
Funding from non-cash expenses	948	790	876	86
Loans raised	0	106	102	(4)
Transfer from funds	172	172	172	0
Accumulated funds	400	0	0	0
Transfer from funds applied	1,520	1,068	1,150	82

Overview

The wastewater system concerns the provision of a safe, reliable and cost effective reticulated system for urban and some rural residential areas of Upper Hutt, including household and business users.

The local system discharges to the Hutt Valley Trunk Wastewater System. Waste is treated at Seaview and disposed of from the Pencarrow outfall. The Hutt Valley Service Committee provides oversight, with membership from both Upper Hutt and Hutt City Councils.

The council owned wastewater facilities are as follows: 214km of sewer mains, 12 pump stations, 4,555 wastewater manholes, one overflow chamber and a pipe bridge with a total replacement value of \$116.5 million. This summary excludes the Hutt Valley Trunk Wastewater System assets, of which Upper Hutt City holds a share of approximately 30%.

For more information refer to the Wastewater Asset Management Plan 2010, the Telemetry Asset Management Plan 2010 and the Wastewater Disaster Recovery Plan 2009.

The Assessment of Water and Sanitary Services 2005 discusses the provision of wastewater services in Upper Hutt City. The key focus of the Assessment is the protection of public health in the city.

The wastewater activity directly supports the achievement of a number of strategic objectives and community outcomes. By providing an efficient wastewater disposal system the council aims to safeguard public health, and the environment, and support the economic growth of the city.

Legislative requirements include:

- section 130 of the Local Government Act 2002 requires the council to provide water services and maintain the capacity to do so
- sections 23 and 29 of the Health Act 1956 require the council to "*improve, promote and protect public health*" within the district as necessary. Section 29 defines what constitutes a nuisance for the purposes of the Act. The term nuisance includes situations that may arise if no water supply services are provided. Section 30 notes that it is an offence to let a nuisance continue.

Proposed project:

Wastewater project capital

This project will cover the renewal of assets which includes pipelines, pump stations and the upgrade of the protection to the pipeline which runs across the Silverstream River at Silverstream.

Wastewater

Level of service objectives and performance measures

Objective

Council will operate and maintain a safe wastewater system.

1. Public health

Indicator	
Performance Measure	Operate and maintain the wastewater system so that there is no public health risk
Target 2011-12	No sickness reported due to failure of the wastewater system ²

2. Use of system

Indicator	
Performance Measure	Minimise interruptions to the ability to use the wastewater system
Target 2011-12	95 percent of properties connected to the wastewater system who are unable to dispose of wastewater will have their service restored within six hours ³

3. Satisfaction

Indicator	
Performance Measure	Community satisfaction with the reticulated wastewater disposal service
Target 2011-12	91 percent or more of respondents are satisfied or very satisfied ¹

Objective

Council will undertake capital and asset management works in a cost effective manner.

4. Works

Indicator	
Performance Measure	Completion of Capital Works
Target 2011-12	Works completed within budget (Refer to Work Programme)

¹Annual Community Survey

²In-house monitoring

³In-house monitoring of UTCE contract

Wastewater

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Asset management				
Pipeline renewal upgrade	665	630	(35)	Targeted Rates/Accumulated Funds
Miscellaneous works	17	17	0	Targeted Rates
Capital works				
Wastewater project capital	527	599	72	Loans
Total wastewater works programme	1,209	1,246	37	

Approved carryover projects from previous year's budget	Funded by
Infiltration surveys	17 Targeted rates
Wastewater main renewals	74 Targeted rates
Wastewater project capital	136 Accumulated funds
Total	227

Wastewater

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	5,401	5,443	5,717	274
Operating income	834	852	829	(23)
Total operating revenue	6,235	6,295	6,546	251
Operating costs	3,889	4,085	4,171	86
Interest	1,051	1,067	1,067	0
Depreciation	2,807	2,591	2,719	128
Total operating costs	7,747	7,743	7,957	214
Operating surplus/(deficit)	(1,512)	(1,448)	(1,411)	37
Capital and reserves funding statement				
Capital expenditure	1,624	1,209	1,246	37
Loans repayments	112	120	120	0
Operating (surplus)/deficit	1,512	1,448	1,411	(37)
Transfer to funds	0	0	0	0
Total funding required	3,248	2,777	2,777	0
Funding from non-cash expenses	2,252	2,250	2,178	(72)
Loans raised	181	527	599	72
Transfer from funds	330	0	0	0
Accumulated funds	485	0	0	0
Transfer from funds applied	3,248	2,777	2,777	0

Overview

The stormwater activity covers the management and disposal of stormwater from within the urban areas of the city. This occurs via a combination of reticulated pipes, pumps, soak pits, open drains, and secondary overland flowpaths. Ponding areas (often on roadways) are also included, as are detention systems; prior to entering major watercourses such as the Hutt River.

This activity does not include those parts of the river drainage system that are managed by the Greater Wellington Regional Council. These include parts of the Pinehaven and Collins Streams, Hulls Creek, and the Mangaroa, Akatarawa and Hutt Rivers. Nor does it include private drains, being those drains on private property for which council has not accepted responsibility. These are the responsibility of the property owner.

The council owns 145km of stormwater mains, 6 pump stations, 3,103 stormwater manholes, one detention dam and 11.5km of open drains. These assets have a total replacement value of \$121.5 million.

For more information refer to the Stormwater Asset Management Plan 2010, the Telemetry Asset Management Plan 2010, and the Stormwater Disaster Recovery Plan 2009.

The Assessment of Water and Sanitary Services 2005 discusses the provision of stormwater services in Upper Hutt City. The key focus of this assessment is the protection of public health in the city.

The Stormwater activity directly supports the achievement of a number of strategic objectives and community outcomes. By providing an efficient stormwater disposal system the council aims to safeguard public health, and the environment, and support the economic growth of the city.

Legislative requirements include:

- section 130 of the Local Government Act 2002 requires the council to provide water services and maintain the capacity to do so
- sections 23 and 29 of the Health Act 1956 require the council to "*improve, promote and protect public health*" within the district as necessary. Section 29 defines what constitutes a nuisance for the purposes of the Act. The term nuisance includes situations that may arise if no water supply services are provided. Section 30 notes that it is an offence to let a nuisance continue.

Stormwater

Level of service objectives and performance measures

Objective

Council will preserve public safety and health and minimise the risk of damage to public and private property through effective stormwater management.

1. Satisfaction

Indicator	
Performance Measure	Community satisfaction with the urban stormwater disposal service
Target 2011-12	87.5 percent of respondents satisfied or very satisfied ¹

2. Quality

Indicator	
Performance Measure	Compliance with resource consent requirements
Target 2011-12	Compliance with relevant resource consent

Objective

Council will undertake capital and asset management works in a cost effective manner.

3. Works

Indicator	
Performance Measure	Completion of Capital Works
Target 2011-12	Works completed within budget (Refer to Work Programme)

¹Annual Community Survey

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Asset management				
Pipeline renewal	745	919	174	Targeted rates
Miscellaneous works	127	5	(122)	Targeted rates
Total capital works expenditure	872	924	52	

Stormwater

Approved carryover projects from previous year's budget Funded by

Stormwater renewal repairs	22	Targeted rates
Pinehaven Stream study	50	Targeted rates
Stormwater capital renewals	692	Targeted rates

Total	764
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Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	2,132	1,933	2,187	254
Operating income	617	631	601	(30)
Total operating revenue	2,749	2,564	2,788	224
Operating costs	1,415	1,575	1,305	(270)
Interest	0	4	0	(4)
Depreciation	1,266	1,115	1,238	123
Total operating costs	2,681	2,694	2,543	(151)
Operating surplus/(deficit)	68	(130)	245	375
Capital and reserves funding statement				
Capital expenditure	1,325	872	924	52
Loans repayments	0	0	0	0
Operating (surplus)/deficit	(68)	130	(245)	(375)
Transfer to funds	0	0	0	0
Total funding required	1,257	1,002	679	(323)
Funding from non-cash expenses	693	880	679	(201)
Loans raised	0	122	0	(122)
Transfer from funds	41	0	0	0
Accumulated funds	523	0	0	0
Transfer from funds applied	1,257	1,002	679	(323)

Overview

The solid waste division is responsible for the management of solid waste within Upper Hutt to ensure waste is minimised and disposed of appropriately. This includes:

- administration of contracts for collection services
- planning for the future
- education on waste matters.

Urban and rural household and central city waste and recycling collection services are carried out by contract. Local people and businesses are able to use the Silverstream Landfill, which is owned by the Hutt City Council. Services are paid for by the user, either through purchase of refuse bags or through landfill fees.

The current Hutt Valley Waste Management Plan outlines the high level strategy for the future, by which the Hutt City Council and the Upper Hutt City Council will jointly manage waste. The Hutt Valley Waste Management Plan has been prepared using the policy framework established by the New Zealand Waste Strategy 2002 with a vision of "Towards zero waste and a sustainable New Zealand". In September 2008 the new Waste Minimisation Act 2008 was released, which requires council to amend its waste management and minimisation plan or revoke it and substitute a new plan by 1 July 2012. We will be working with the Hutt City Council to achieve this.

The city's interest in Silverstream landfill is identified in a 1972 deed with the Hutt City Council. No assets are owned by the Upper Hutt City Council.

For more information refer to the Solid Waste Management Plan 2004.

The Assessment of Water and Sanitary Services 2005 discusses the provision of solid waste services in Upper Hutt City. The key focus of the Assessment is the protection of public health in the city.

Council is involved because it is required to do so by the 'Waste Minimisation Act 2008 Sections 42 and 43 which requires every territorial authority to:

1. promote effective and efficient waste management and minimisation within its district
2. adopt a waste management and minimisation plan
3. undertake or contract for any activity it considers appropriate for the efficient and effective management of waste in its district including the collection, recovery, recycling, treatment, and disposal services for the district to meet its current and future waste management and minimisation needs (whether provided by the territorial authority or otherwise).

Proposed project:

Waste minimisation project

Council will continue to monitor waste management with the emphasis on encouraging the reduction of solid waste and an increase in recycling within the community. The Waste Management Plan contained within the current Long Term Council Community Plan is proposed to be amended and was the subject of parallel consultation with the 2011-12 draft Annual Plan.

Solid waste

Level of service objectives and performance measures

Objective

Council will ensure that there is a weekly collection for urban and rural household waste and recyclable material.

1. Satisfaction

Indicator	1a. Household refuse collection
Performance Measure	Community satisfaction with household refuse collection
Target 2011-12	95 percent of respondents are satisfied or very satisfied ¹
Indicator	1b. Recycling
Performance Measure	Community satisfaction with kerbside recycling collection
Target 2011-12	90 percent of respondents using the service are satisfied or very satisfied with the way the kerbside collection programme meets their aspirations to recycle ¹

Objective

Council will encourage waste minimisation through reduction, re-use, recycling and treatment.

2. Quantity of waste

Indicator	2a. Quantity of household refuse collection
Performance Measure	Reduce the annual tonnage of refuse collected
Target 2011-12	Maintain the compounding target of reducing the refuse collected per household on average by 5 percent per annum
Indicator	2b. Quantity of recycling
Performance Measure	Increase the weight of recycling
Target 2011-12	Increase to 160 kg per household per year ²

¹Annual Community Survey

²In-house report using contractor's data

Solid waste

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	(272)	(371)	(323)	48
Operating income	662	697	640	(57)
Total operating revenue	390	326	317	(9)
Operating costs	391	328	318	(10)
Interest	0	0	0	0
Depreciation	0	0	0	0
Total operating costs	391	328	318	(10)
Operating surplus/(deficit)	(1)	(2)	(1)	1
Capital and reserves funding statement				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/deficit	1	2	1	(1)
Transfer to funds	0	0	0	0
Total funding required	1	2	1	(1)
Funding from non-cash expenses	1	2	1	(1)
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Accumulated funds	0	0	0	0
Transfer from funds applied	1	2	1	(1)

Support services

Overview

The support services activity covers a range of management, internal administration and support services that keep council operating on a day-to-day basis.

Specific groups include: the Chief Executive, executive and divisional management, administration, cafeteria, finance, democratic services, legal, human resources, information systems, policy and reporting, visitor information centre and the civic administration building.

Support Services directly contributes towards achievement of the Community Outcomes for Upper Hutt by providing essential support and key services for other activities.

The net costs of all support service groups are budgeted to be recovered from the operational activities and are included in the rate funding requirement of these activities.

A sustainable approach will impact on how we consume resources; how we plan for the future; and most importantly, how we think about and view the environment. Sustainability can be applied to all sectors of the council and community's activities. Therefore, community consultation and in particular, cultural and societal values will be taken into consideration when considering the long term view in the development of a Sustainability Strategy for Upper Hutt.

Proposed project:

Sustainability Strategy \$76,000 and Eco-friendly incentives \$16,000.

Council's newly appointed Sustainability Officer will be tasked with developing and implementing an integrated sustainability strategy that looks to promote sustainability best practice across the council and the community.

Level of service objectives and performance measures

Objective

Council will undertake capital and asset management works in a cost effective manner.

1. Works

Indicator	
Performance Measure	Completion of capital works
Target 2011-12	Works completed within budget and by 30 June each year (refer to Work Programme)

Support services

Works programme	Forecast LTCCP Year 3 2011-12 (\$000)	Forecast Annual Plan Year 3 2011-12 (\$000)	Forecast Variation Year 3 2011-12 (\$000)	Source of Funding 2011-12
Capital works				
Minor equipment	3	3	0	Rates
Total capital works expenditure	3	3	0	
Other primary projects (new and ongoing)				
Sustainability strategy*	76	76	0	Rates
Eco-friendly incentives*	16	16	0	Rates
Total support services works programme	95	95	0	

*These 2 projects were transferred from city planning

Approved carryover projects from previous year's budget	Funded by
Infrastructure management consultants	35 Rates
Information system	10 Rates
Total	45

Support services

Cost of service statement	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Operating statement				
General rates	27	40	50	10
Operating income	7,476	7,762	7,691	(71)
Total operating revenue	7,503	7,802	7,741	(61)
Operating costs	7,413	7,501	7,589	88
Interest	9	7	7	0
Depreciation	110	252	95	(157)
Total operating costs	7,532	7,760	7,691	(69)
Operating surplus/(deficit)	(29)	42	50	8
Capital and reserves funding statement				
Capital expenditure	23	3	3	0
Loans repayments	12	12	12	0
Operating (surplus)/deficit	29	(42)	(50)	(8)
Transfer to funds	13	27	35	8
Total funding required	77	0	0	0
Funding from non-cash expenses	0	0	0	0
Loans raised	0	0	0	0
Transfer from funds	20	0	0	0
Accumulated funds	57	0	0	0
Transfer from funds applied	77	0	0	0

Schedule of amendments to the Long Term Council Community Plan

The table below details the key text changes from the previous Annual Plan 2010-11 and subsequently the changes to the Long Term Council Community Plan (LTCCP) 2009-2019.

	CURRENT LTCCP TEXT	Pg	ANNUAL PLAN 2011-12 TEXT
Leadership Variation: <ul style="list-style-type: none"> objective 36 – the community outcomes progress report legislative requirement has been removed from the Local Government Act 2002 objective 5 – satisfaction was inadvertently removed at the first quarter of 2009-10. 			
26	3B COMMUNITY OUTCOMES Report on progress the community has made towards achieving the Community Outcomes. Target Present report on progress towards achieving the Community Outcomes by 30 September 2013		Objective 3b removed
	Not in current Long Term Council Community Plan	27	5- SATISFACTION Performance measure: Community satisfaction with elected council's performance in catering for community needs Target: 90 percent of respondents are satisfied or very satisfied ¹
Community services Variations: <ul style="list-style-type: none"> objective 2 - Delivery of programmes and projects to the community. The wording has changed in this target as funding for the Community Safety Programmes has come to an end the target relating to objective 3 - Community Engagement has changed from holding quarterly meeting to regular meetings. It was found that quarterly meetings were too frequent in some sectors. Regular meetings now ensure useful exchanges with key community stakeholders. The change from 'the identified areas' to examples of focus areas' increases the flexibility to take advantage of opportunities and to respond more effectively to community needs. 			
54	2 – DELIVERY OF PROGRAMMES AND PROJECTS TO THE COMMUNITY Performance measure: Project milestones are achieved on time, within budget and in line with stakeholder satisfaction Target: 100 percent of contractual obligations for externally funded programmes* have been met ² *An example of an externally funded programme is the Community Safety Plan funding provided by the Crime Prevention Unit of the Ministry of Justice ² Contractual terms in funding agreements have been met	31	2 – DELIVERY OF PROGRAMMES AND PROJECTS TO THE COMMUNITY Performance measure: Project milestones are achieved on time, within budget and in line with stakeholder satisfaction Target: 100 percent of contractual obligations for externally funded programmes* have been met ² *An example of an externally funded programme is the investment in community safety by the Ministry of justice ² Contractual or negotiated terms in funding agreements have been met

Schedule of amendments to the Long Term Council Community Plan

	CURRENT LTCCP TEXT	Pg	ANNUAL PLAN 2011-12 TEXT
54	<p>3 - COMMUNITY ENGAGEMENT</p> <p>Performance measure: Community is consulted on identified areas of focus on a regular basis and community views are considered when undertaking focus area projects</p> <p>Target: Hold quarterly meetings with key community stakeholders in identified focus areas* and one annual public meeting for each focus area.</p> <p>*The identified areas include:</p> <ul style="list-style-type: none"> • children and young people reach their full potential • positive ageing • provision of settlement support • improving the wellbeing of people with experience of disability • building capable, sustainable communities • safe and healthy neighbourhoods. 	31	<p>3 - COMMUNITY ENGAGEMENT</p> <p>Performance measure: Community is consulted on identified areas of focus on a regular basis and community views are considered when undertaking focus area projects</p> <p>Target: Hold regular meetings with key community stakeholders in identified focus areas*</p> <p>*Examples of current focus areas include:</p> <ul style="list-style-type: none"> • children and young people reach their full potential • positive ageing • improving the wellbeing of people with experience of disability • building capable, sustainable communities • safe and healthy neighbourhoods.
<p>Activation</p> <p>Variations:</p> <ul style="list-style-type: none"> • the performance measure and target '1c' relating to participation levels in sport and physical activity in Upper Hutt has been amended. Participation numbers are now recorded in an attendance register for all Activation events and activities, which allows for a more meaningful and localised measure • the performance measure and target '1d' for club participation is currently monitored by a Community Group Survey. Club membership numbers for sports identified by Activation will be recorded by the sports clubs and passed to Activation annually to monitor this target. Examples of target sports are soccer, netball, rugby, tennis etc • the word 'contracted' has been removed from the partnerships target '2' as there are no longer any external contracts • previously objective 3 - Monitoring has been externally evaluated. Permission has been granted for Activation to use the same evaluation template to now carry out the assessment in-house. I.e. the change noted is in relation to the monitoring method not the actual measure. 			
60	<p>1 – PARTICIPATION</p> <p>c Performance measure: Participation levels in sport and physical activity increases. The current participation level for Upper Hutt residents is – that 26% are meeting the National Guideline</p> <p>Target: 55 percent of Upper Hutt residents participate in at least 30 min of moderate physical activity on 5 or more days per week³</p> <p>d Performance measure: Club participation numbers increase</p>	34	<p>1 – PARTICIPATION</p> <p>c Performance measure: Participation levels in sport and physical activity increases.</p> <p>Target: Participation numbers in Activation events and activities increase annually</p>
		34	<p>d Performance measure: Club participation numbers for target sports increase</p>

Schedule of amendments to the Long Term Council Community Plan

	CURRENT LTCCP TEXT	Pg	ANNUAL PLAN 2011-12 TEXT
	<p>Target: 3 percent increase in club participation numbers</p> <p>2 - PARTNERSHIPS</p> <p>Performance measure: Positive, ongoing partnerships are developed and maintained that support sport and physical activity in Upper Hutt</p> <p>Target: Contracted targets for Activation partner organisations are met</p> <p>3 – MONITORING</p> <p>Performance measure: The overall physical activity grade (as per the Active Recreation Project Evaluation report)</p> <p>Target: To achieve a minimum score of 'B'</p>	34	<p>Target: Three percent increase in club participation numbers²</p> <p>2 - PARTNERSHIPS</p> <p>Performance measure: Positive, ongoing partnerships are developed and maintained that support sport and physical activity in Upper Hutt</p> <p>Target: Targets with Activation partner organisations are met</p> <p>3 – MONITORING</p> <p>Performance measure: The overall physical activity grade (as per the Active Recreation Project Evaluation report)</p> <p>Target: To achieve a minimum score of 'B'</p>
<p>H²O Xtream</p> <p>Variation:</p> <ul style="list-style-type: none"> objective 2 – Use – the target relating to visitors in the target market attending the facility during school holidays is a more realistic measure 			
73	<p>2 - USE</p> <p>b Performance measure: Use of H²O Xtream in the school holidays by the target market (10-14 years)</p> <p>Target: Exceed the use of the H²O Xtream by the target market from the previous year's figures²</p>	41	<p>2 - USE</p> <p>b Performance measure: Use of H²O Xtream in the school holidays by the target market (10-14 years)</p> <p>Target: Greater than 55 percent of visitors during the school holidays are in the target market of 10-14 years</p>
<p>Emergency Management</p> <p>Variation:</p> <ul style="list-style-type: none"> objective 3 – Training - the performance measure has been made more specific 			
98	<p>3 – STAFF TRAINING</p> <p>Performance measure: Undertake staff training each year</p>	55	<p>3 – STAFF TRAINING</p> <p>Performance measure: Undertake staff training each year pertinent to the Coordinated Incident Management System model to ensure operational capacity</p>
<p>Building and Compliance Services</p> <p>Variations:</p> <ul style="list-style-type: none"> Environmental Health liquor licence - 1f - a process time performance standard is considered to be a more appropriate measure and would be more consistent with performance standards for other regulation-type application processes undertaken by council. Building Control - 2a-Timeliness target - the additional wording clarifies that the non-statutory 13 working day target relates to building consents of less than \$500,000. animal control - 3 - Timeliness target- has been amended, as making initial contact with the complainant is not always the first necessary action in every case and the revised target better reflects this. The priority is to make the situation safe and then approach the complainant. 			
110	ENVIRONMENTAL HEALTH	61	ENVIRONMENTAL HEALTH

Schedule of amendments to the Long Term Council Community Plan

	CURRENT LTCCP TEXT	Pg	ANNUAL PLAN 2011-12 TEXT
	<p>1 – TIMELINESS</p> <p>f. Performance measure: Liquor licence – process time</p> <p>Target: Respond within 5 working days of request for licence being received</p>		<p>1 – TIMELINESS</p> <p>f. Performance measure: Liquor licence – process time</p> <p>Target: Licence application to be processed within five working days excluding the time taken by police for their checks</p>
	<p>BUILDING CONTROL</p> <p>2 – TIMELINESS</p> <p>a. Performance measure: Building consents – process time</p> <p>Target – Process 90 percent of consents within 13 working days</p> <p>Process 100 percent within 20 working days</p>	62	<p>BUILDING CONTROL</p> <p>2 – TIMELINESS</p> <p>a. Performance measure: Building consents – process time</p> <p>Target – Process 90 percent of consents having a value of less than \$500,000 within 13 working days</p> <p>Process 100 percent within 20 working days</p>
	<p>ANIMAL CONTROL</p> <p>3 - TIMELINESS</p> <p>a. Performance measure: Response time to reports of dog attack</p> <p>Target: 90 percent of responses made within two hours of report being made</p>	62	<p>ANIMAL CONTROL</p> <p>3 - TIMELINESS</p> <p>a. Performance measure: Response time to reports of dog attack</p> <p>Target: Make initial contact with complainant within two hours for 90 percent of dog attacks received</p>

Schedule of amendments to the Long Term Council Community Plan

Project/Policy Amendments to the Long Term Council Community Plan 2009-19

- the development of netball and tennis courts - \$318,000 has been deferred. It is proposed that this funding now be allocated to the development of hockey and rugby/soccer turfs at Maidstone Park. Special provision will be made to reserve land adjacent to the hockey turf to allow for a proposed private development of netball/tennis courts
- sealing of the Hutt River trail between Awakairangi Park and Norbet Street – this project has been postponed and the \$130,000 set aside in 2011-12 has been re-allocated towards the Maidstone Park Redevelopment Plan
- Akatarawa Road bridges renewal programme – \$1,055,000 was set aside in 2011-12 for this project. In recognition of the decayed condition of the three timber bridges NZTA agreed to bring forward their share of the funding for replacing the three bridges to 2010-11. Council did likewise by bringing forward the funding from 2011-12 and 2013-14. The bridges will be built over the period March 2011 to November 2011
- the Waste Management Plan contained within the current Long Term Council Community Plan (under the Solid Waste activity) is proposed to be amended and was the subject of parallel consultation with the 2011-12 draft Annual Plan. Currently council has a joint Waste Management Plan with Hutt City Council. The proposal is to move to a Wellington Regional Plan.
- the major promotion campaign - \$65,000 has been postponed in light of the current economic climate
- the habitat improvement study - \$95,000 has been postponed to in light of the current economic climate.

Financial statements



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Accounting Policies and Assumptions

Reporting entity

Upper Hutt City Council is a territorial local authority governed by the Local Government Act 2002.

The primary objective of Upper Hutt City Council is to provide goods or services for the local community or social benefit rather than making a financial return. Accordingly, Upper Hutt City Council has designated itself and the group as public benefit entities for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZIFRS).

The Prospective Financial Statements of Upper Hutt City Council are for the year ended 30 June 2012. The Prospective Financial Statements are proposed to be adopted for issue by council on 22 June 2011.

Basis of preparation

Statement of compliance

The Prospective Financial Statements of Upper Hutt City Council have been prepared in accordance with the requirements of Local Government Act 2002: Part 6, Section 98 and Part 3 of Schedule 3 of Schedule 10, which include the requirement to comply with New Zealand's generally accepted accounting practices (NZ GAAP).

These Prospective Financial Statements have been prepared in accordance with NZ GAAP. They comply with NZIFRS, and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

Measurement base

The Prospective 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).

Functional and presentation currency

The Prospective Financial Statements are presented in New Zealand dollars and all values are rounded to the nearest thousand (\$'000). The functional currency of Upper Hutt City Council is New Zealand dollars.

Foreign currency transactions

Foreign currency transactions are translated into functional currency using the exchange rates prevailing at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the Prospective Statement of Comprehensive Income.

Changes in accounting policies

None.

Accounting Policies and Assumptions

Significant accounting policies

Consolidated financial statements

The published financial statements are those of the parent. The presentation of consolidated group statements, including the council controlled organisation, Expressions Arts and Entertainment Centre, would make no material difference to council's net surplus/(deficit) or net fixed assets over the term of the plan.

Budget figures

The forecast figures are those approved by council at the beginning of the year after a period of consultation with the public as part of the Long Term Council Community Plan process. The forecast figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by council for the preparation of financial statements and in accordance with Financial Reporting Standard No. 42 (FRS 42) which applies to Prospective Financial Statements.

The financial statements, associated notes and accounting policies have been prepared under NZIFRS standards, as applying for a Public Benefit Entity ('PBE'). This is an entity whose primary objective is to provide goods or services for community or social benefit and where equity has been provided with a view to supporting that primary objective rather than for a financial return.

A 'forecast' means prospective financial information is prepared on the basis of assumptions as to future events, which council reasonably expects to occur at the date the information is prepared. A forecast differs from a 'projection'. A projection contains financial information prepared on the basis of more hypothetical assumptions (or "what if" scenarios).

Significant risks

It should be noted that:

1. Actual results achieved during the 2010/11 year are likely to vary from the forecasts presented in this document and the variations may prove to be material.
2. The information in this document may not be appropriate for purposes other than as described herein.
3. The rate of inflation and interest rates may differ significantly from the assumptions used in preparing these forecast financial statements. The actual results are likely to vary materially depending upon other circumstances that arise during the period.

Revenue

Revenue is measured at the fair value of consideration received or receivable.

Rates are set annually by a resolution from council and relate to a financial year. All ratepayers are invoiced within the financial year to which rates have been set. Rates revenue is recognised when payable.

Rates collected on behalf of the Greater Wellington Regional Council (GWRC) are not recognised in the financial statements as the council is acting as an agent for GWRC.

Revenue from water rates by meter is recognised on an accrual basis. Unbilled usage, as a result of unread meters at year-end, is accrued on an average usage basis.

Accounting Policies and Assumptions

Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are issued.

Government grants

Council receives government grants from the New Zealand Transport Agency, which subsidises part of Upper Hutt City Council's costs in maintaining the local roading infrastructure. The subsidies are recognised as revenue upon entitlement as conditions pertaining to eligible expenditure have been fulfilled.

Provision of services

Revenue from the rendering of services is by reference to the stage of completion of the transaction at balance date, and based on the actual service provided as a percentage of the total services to be provided.

Sale of goods

Revenue from sale of goods is recognised when a product is sold to the customer. Sales are usually in cash or by credit card. The recorded revenue is the gross amount of the sale including credit card fees payable for the transaction. Such fees are included in other expenses.

Vested assets

Where a physical asset is acquired for nil or nominal consideration the fair value of the asset received is recognised as income. Assets vested in Upper Hutt City Council are recognised as income when control over the assets is obtained.

Where revenue is derived by acting for another party, the revenue that is recognised is the commission or fees on the transactions.

Interest and dividends

Interest income is recognised using the effective interest method.

Dividends are recognised on an accrual basis net of imputation credits.

Donations – permanent collection - Expressions

Donations of works are brought in at an estimated fair value pending a valuation carried out by an independent registered valuer.

Reserve Fund and Development Contributions

The revenue is recognised when payment is made, which occurs when the subdivision is substantially complete. The contributions are collected and transferred into their respective special funds. These funds can only be used when the capital works in their respective areas can be fully funded.

Borrowing costs

The council and group has elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public

Accounting Policies and Assumptions

benefit entities. Consequently, all borrowing costs are recognised as an expense in the period in which they are incurred.

Grant expenditure

Non-discretionary grants are those grants that are awarded if the grant application meets the specified criteria and are recognised as expenditure when an application that meets the specified criteria for the grant has been received. Discretionary grants are those grants where the council has no obligation to award on receipt of the grant application and are recognised as expenditure when a successful applicant has been notified of the council's decision.

Allocation of overheads to significant activities

The gross costs of Support Services have been allocated to individual significant activities. These overheads have been allocated at the most appropriate pre-determined basis e.g. actual usage, staff numbers, rates contribution, floor area etc. applicable to the service provided to each significant activity.

Internal transactions

Each significant activity is stated with the inclusion of internal costs and revenues. In order to present a true and fair view in the financial statements these transactions have not been eliminated. This method has no effect on the operating result for the year.

Taxation

Upper Hutt City Council has a tax exemption in relation to the surplus or deficit for the period.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held on call with a bank, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Trade and other receivables

Rates arrears and debtors, "Trade receivables" are initially measured at fair value less any provision for impairment.

A provision for impairment of receivables is established when there is objective evidence that Upper Hutt City Council will not be able to collect all amounts due according to the original terms of receivable. The amount of the provision is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the effective interest method.

Goods and Services Tax (GST)

The Prospective Financial Statements have been prepared exclusive of GST, with the exception of trade payable and trade receivable, which are stated as GST inclusive. Where GST is not recoverable as an input tax then it is recognised as part of the related asset or expense.

Accounting Policies and Assumptions

The net amount for GST recoverable from, or payable to the Inland Revenue Department (IRD) is included as part of receivables or payables in the Prospective 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 Prospective Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

Inventories

Inventories held for distribution or consumption in the provision of services that are not supplied on a commercial basis are measured at the lower of cost adjusted when applicable, for any loss or service potential or current replacement cost.

Where inventory is acquired at no cost or for nominal consideration, the cost is the current replacement cost at the date of acquisition.

The amount of any write-down for the loss of service potential or from cost to net realisable value is recognised in the surplus or deficit in the period of the write-down.

Financial assets

Other financial assets

Upper Hutt City Council classifies its financial assets into the following four categories:

- financial assets at fair value through surplus or deficit
- held to maturity investments
- loans and receivables; and
- financial assets at fair value through other comprehensive income.

The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at every reporting date.

Financial assets acquired principally for the purpose of selling in the short-term or part of a portfolio classified as held for trading are classified as a current asset. The current/non-current classification of derivatives is explained in the derivatives accounting policy above.

Financial assets at fair value through other comprehensive income

For equity investments, a significant or prolonged decline in the fair value of the investment below its cost is considered objective evidence of impairment.

For debt investments, significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered objective indicators that the asset is impaired.

If impairment evidence exists for investments at fair value through other comprehensive income, the cumulative loss (measured as the difference between the acquisition cost and the current fair value, less any impairment loss on that financial asset previously recognised in the surplus or deficit) recognised in other comprehensive income is reclassified from equity to the surplus or deficit.

Accounting Policies and Assumptions

Equity instrument impairment losses recognised in the surplus or deficit are not reversed through the surplus or deficit.

If in a subsequent period the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised, the impairment loss is reversed in the surplus or deficit.

The four categories for financial assets are:

- **financial assets at fair value through surplus or deficit**

This category has two sub-categories: financial assets held for trading, and those designated at fair value through profit or loss at inception. A financial asset is classified in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives are also categorised as held for trading unless they are designated as hedges. Assets in this category are classified as current assets if they are either held for trading or are expected to be realised within 12 months of the balance sheet date.

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the Prospective Statement of Comprehensive Income.

Financial assets in this category include shares and bonds.

Currently, Upper Hutt City Council does not hold any financial assets in this category.

- **loans and receivables**

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets except for maturities greater than 12 months after the balance date, which are included in non-current assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit. Loans and receivables are classified as "Trade and Other Receivables" in the Prospective Statement of Financial Position.

Loans, including loans to community organisations made by Upper Hutt City Council at nil, or below market value interest rates are initially recognised at the present value of their expected future cash flows, discounted at the current market rate of return for a similar asset/investment. They are subsequently measured at amortised cost using the effective interest method.

The difference between face value and present value of expected future cash flow, of the loan is recognised in the surplus or deficit as a grant.

Investments in this category include term deposits, cash equivalents, debtors, community and related party loans.

- **held to maturity investments**

Held to maturity investments are non derivative financial assets with fixed or determinable payments and fixed maturities that Upper Hutt City Council has positive intention and ability to hold to maturity.

They are included in current assets, except for maturities greater than 12 months after balance date, which are included in noncurrent assets.

After initial recognition they are measured at amortised cost using the effective interest method less impairment. Gains and losses when the asset is impaired or derecognised are recognised in the surplus or deficit.

Accounting Policies and Assumptions

Investments in this category include local authority and government stock. Currently, Upper Hutt City Council does not hold any financial assets in this category.

- **financial assets at fair value through other comprehensive income**

Financial assets at fair value through other comprehensive income are those that are designated into the category at initial recognition or are not classified in any of the other categories above.

They are included in noncurrent assets unless management intends to dispose of share investment within 12 months of balance date or if the debt instrument is not expected to be realised within 12 months of balance date.

This category encompasses:

- investment that Upper Hutt City Council intends to hold long term but which may be realised before maturity; and
- shareholdings that Upper Hutt City Council holds for strategic purposes.

After initial recognition these investments are measured at their fair value.

Gains and losses are recognised directly in other comprehensive income except for impairment losses which are recognised in the surplus or deficit.

On de-recognition, the cumulative gain or loss previously recognised in other comprehensive income is reclassified from equity to surplus or deficit.

Impairment of financial assets

Financial assets are assessed for objective evidence of impairment at each balance date. Impairment losses are recognised in the surplus or deficit.

Loans and other receivables, and held-to-maturity investments

Impairment is established when there is objective evidence that the council and group will not be able to collect amounts due according to the original terms of the debt. Significant financial difficulties of the debtor, probability that the debtor will enter into bankruptcy, and default in payments are considered indicators that the asset is impaired. The amount of the impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted using the original effective interest rate. For debtors and other receivables, the carrying amount of the asset is reduced through the use of an allowance account, and the amount of the loss is recognised in the surplus or deficit. When the receivable is uncollectible, it is written-off against the allowance account. Overdue receivables that have been renegotiated are reclassified as current (that is, not past due). Impairment in term deposits, local authority stock, government stock, and community loans, are recognised directly against the instrument's carrying amount.

Accounting for derivative financial instruments

Upper Hutt City Council uses derivative financial instruments to manage exposure to interest rate risks arising from financial activities. In accordance with its treasury policy, Upper Hutt City 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 re-measured at their fair value at each balance date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

Accounting Policies and Assumptions

Upper Hutt City Council has a series of policies providing risk management for interest rates and the concentration of credit risk. Upper Hutt City Council is risk averse and seeks to minimise exposure from its treasury activities. Upper Hutt City Council has an established Borrowing and Investment policy specifying what transactions can be entered into. The policy does not allow any transactions that are speculative in nature to be entered into.

Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment.

The interest rates on Upper Hutt City Council investments are disclosed in Note 7, Notes to the Prospective Financial Statements.

The actual management policies are set out in the separate policy document, 'Borrowing and Investment Management Policy'.

Credit risk is the risk that a third party will default on its obligation to Upper Hutt City Council, causing Upper Hutt City Council to incur a loss.

The maximum amount of credit risk for each class is the carrying amount in the Prospective Statement of Financial Position.

Upper Hutt City Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances, local authority stock and accounts receivable.

Upper Hutt City Council invests funds only in deposits with registered banks and local authority stock and limits the amount of credit exposure to any one institution or organisation. Accordingly, the Upper Hutt City Council does not require any collateral or security to support the financial instruments with organisations it deals with.

Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties, in an arm's length transaction.

Investment properties

Properties leased to third parties under operating leases are classified as investment property unless the property is held to meet service delivery objectives, rather than to earn rentals or for capital appreciation.

Investment property is measured initially at its costs, including transactions costs.

After initial recognition, Upper Hutt City Council measures all investment property at fair value as determined annually by an independent valuer. Gains and losses arising from a change in the fair value of investment property are recognised in the surplus or deficit.

Non-current assets held for sale

Non-current assets held for resale are classified as held for sale if their carrying amount will be recovered principally through a sale transaction, not through continuing use. Non-current assets held for sale are measured at the lower of their carrying amount and fair value less cost of sales.

Any impairment losses for write down of non-current assets held for sale are recognised in the surplus or deficit.

Any increases in fair value (less cost to sell) are recognised up to the level of any impairment losses that have been previously recognised.

Accounting Policies and Assumptions

Non-current assets (including those that are part of a disposal group) are not depreciated or amortised while they are classified as held for sale.

Intangible assets

Software acquisition and development

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs associated with maintaining computer software are recognised as an expense when incurred. Costs that are directly associated with the development of software for internal use by Upper Hutt City Council, are recognised as intangible assets. Direct costs include software development employee costs and an appropriate portion of relevant overheads.

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 derecognised. The amortisation charge for each period is recognised in the Prospective Statement of Comprehensive Income.

The useful life and associated amortisation rates of major classes of intangible assets have been estimated as follows:

- computer software 3 years 33%

Impairment of non-financial assets

Non-financial assets that have an indefinite useful life are not subject to amortisation and are tested annually for impairment. Assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstance indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amounts exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future service potential of the asset is not primarily dependent on the assets ability to generate net cash inflows and where the entity would, if deprived of the asset, replace its remaining future or service potential.

The value in use for cash-generating assets is the present value of expected future cash flows.

If an asset's carrying amount exceeds its recoverable amount the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that asset. Where it results in a debit balance in the revaluation reserve for that class of asset; that balance is recognised in the surplus or deficit. For assets not carried at a revalued amount, the total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss on a revalued asset is credited to the revaluation reserve. However, to the extent that an impairment loss for that class was previously recognised in the surplus or deficit, a reversal of the impairment loss is also recognised in the surplus or deficit.

For assets not carried at revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the surplus or deficit.

Accounting Policies and Assumptions

Property, plant and equipment

Property, plant and equipment include:

Operational property, plant and equipment: These include land, buildings, improvements, library books, plant and equipment and motor vehicles.

Restricted property, plant and equipment: Restricted property, plant and equipment are parks and reserves owned by the council which provide a benefit or service to the community and cannot be disposed of because of legal restrictions.

Infrastructure assets: Infrastructure assets are the fixed utility network systems owned by council and include roading, water, stormwater and wastewater piping. Each asset class includes all items that are required for the network to function.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

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 of the item will flow to Upper Hutt City Council and the cost of the item can be measured reliably. In most instances, an item of property, plant and equipment is recognised at its cost. Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value as at the date of acquisition.

Work in progress is recognised at cost less impairment and is not depreciated.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included 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 Upper Hutt City Council and the cost of the item can be measured reliably.

Revaluations

- those assets classes that are revalued are valued on a five yearly valuation cycle on the basis described below. All other asset classes are carried at depreciated historical costs. The carrying values of revalued items are reviewed at each balance date to ensure that those values are not materially different to fair value
- land, buildings, plant, furniture and equipment have been revalued as at 30 June 2009 by Ken Tonks, Registered Valuer of TSE Group Limited, except for minor structures, vehicles, computers and minor miscellaneous office equipment. Minor structures, vehicles, computers and minor miscellaneous office equipment are valued at historical cost. The revalued assets were valued depending on their nature on either a depreciated replacement cost or optimised depreciated replacement basis. Land valuation under \$120,000 was not revalued. This land is based on Quotable Value valuation as at 1 August 2007

Accounting Policies and Assumptions

- infrastructure assets are the fixed utility network systems owned by council and include roading, water, stormwater, land under roads, reservoir reserve land and wastewater piping. These assets are valued on the depreciated replacement value basis as at 30 June 2010 by the City Engineers. The valuation of these assets was independently reviewed by two valuers as at 30 June 2008. Infrastructural Assets under Stormwater, Wastewater, Telemetry and Roading was independently reviewed by Graham Hughson, Sector Director, Advisory services of Maunsell Limited. Revaluations are carried out five yearly, however infrastructure assets are valued every year as at 30 June by city engineers. It is the assumption of this annual plan that Infrastructure assets will be revalued in the 2011/2012 period and peer reviewed to meet audit requirements.
- the Hutt Valley Wastewater Scheme was valued on the depreciated replacement value basis as at 1 July 2008. The valuation of these assets was valued by Capacity and independently reviewed by AECOM Limited as at 1 July 2008. The valuer was Graham Hughson, BE (Civil), DIP Mgmt, CPEng, MIPENZ
- land under roads was valued based on fair value. Under NZIFRS Upper Hutt City Council has elected to use the fair value of land under roads as at 30 June 2004 as deemed cost. Land under roads is no longer revalued
- restricted assets are assets that cannot be disposed of because of legal and other restrictions. These assets have been revalued as at 30 June 2009 by Ken Tonks, Registered Valuer of TSE Group Limited. Revaluations will be carried out five yearly
- library collection has been revalued at depreciated replacement cost as at 30 June 2007 in accordance with the guidelines released by the New Zealand Library Association and the National Library of NZ using the readily available market prices to determine fair value. Library valuations are performed by the City Librarian and the methodology is checked by Peter Trewern of New Zealand Book Auctions. The library collection and heritage book collection was revalued as at 30 June 2007 by the City Librarian. The valuation was independently checked by Peter Trewern in 2007. Revaluations are carried out four yearly
- vested assets have been valued on the actual quantities of infrastructure components vested and the current in the ground cost of providing identical services. The vested assets have been valued by the developer's engineers and council's engineering staff
- **works of art**

Works of art are revalued every three years based on an estimate of current market value by an independent registered valuer.

Revaluations are conducted more frequently if, at any balance date, the fair value differs materially from the carrying amount. Increases in the value of works of art are transferred to the asset revaluation reserve. A decrease in value is recognised in the surplus or deficit in the period it arises where it exceeds the increase previously recognised in the asset revaluation reserve. In subsequent periods, any revaluation surplus that reverses previous revaluation deficits is recognised as a credit to expenditure in the Statement of Comprehensive Income up to its original value.

Accounting for revaluations

Upper Hutt City Council accounts for revaluations of property, plant and equipment on a class of asset basis.

The results of revaluing are credited or debited to an asset revaluation reserve for that class of asset in other comprehensive income. Where this results in a debit balance in the asset

Accounting Policies and Assumptions

revaluation reserve, this balance is expensed in the surplus or deficit. Any subsequent increase or revaluation that offset a previous decrease in value is recognised in the surplus or deficit up to the amount previously expensed, and then credited to the revaluation reserve for that class of asset under other comprehensive income.

Depreciation

- all assets, except for land and road formations, have been depreciated on either a Straight Line or Diminishing Value basis at rates estimated to write off the cost of the assets over their estimated useful life.

Hutt Valley Wastewater Scheme assets are controlled by Hutt City Council. Upper Hutt City Council is entitled to a share in any sale proceeds of these assets. The Seaview wastewater treatment plant is depreciated at 20 years and sewerage pipelines at 40-80 years.

The specific rates of depreciation applied to major classes of Property, Plant and Equipment are:

Depreciation	Years	Rate
Straight-line depreciation		
Bridges	20 to 100 years	1% to 5%
Buildings	10 to 100 years	1% to 10%
Buildings fitout and services	10 to 40 years	2.5% to 10%
Computer equipment	3 to 5 years	20% to 33.3%
Furniture and office equipment	5 to 15 years	6.67% to 20%
Library books	2 to 10 years	10% to 50%
Parks and reserves services	10 to 100 years	1% to 10%
Plant and equipment	4 to 50 years	2% to 25%
Infrastructure Assets		
Roading		
Carparks	50 years	2%
Culverts	50 to 80 years	1.25% to 2%
Footpaths / accessways	35 years	2.86%
Roads (except land and formation)	7 to 20 years	5% to 14%
Road formation	80 to 150 years	0.5% to 1.25%
Road marking	2 to 10 years	10% to 50%
Road signs	10 years	10%
Roundabouts	50 years	2%
Stormwater channels	35 to 60 years	1.66% to 2.8%
Street and traffic lights	5 to 50 years	2% to 20%
Street furniture and other features	15 to 25 years	4% to 6.67%
Subways	80 years	1.25%
Sumps	60 years	1.66%

Accounting Policies and Assumptions

Depreciation	Years	Rate
Straight-line depreciation		
Water		
Civil Works	80 to 100 years	1% to 1.25%
Mechanical and electrical plant, outlets, pumps	20 to 50 years	1% to 5%
Pipe work, appurtenances and associated structures	50 to 100 years	1% to 2%
Reservoirs, intake structure	100 years	1%
Stormwater		
Civil works	80 to 100 years	1% to 1.25%
Mechanical and electrical plant, outlets, pumps	20 to 50 years	1% to 5%
Pipe work, appurtenances and associated structures	50 to 100 years	1% to 2%
Wastewater		
Civil works	80 to 100 years	1% to 1.25%
Electronic equipment	10 to 20 years	5% to 10%
Mechanical and electrical plant, outlets, pumps	15 to 50 years	1% to 7%
Pipe work, wastewater mains	50 to 100 years	1% to 2%
Telemetry		
Civil works	80 to 100 years	1% to 1.25%
Electronic equipment	10 to 20 years	5% to 10%
Mechanical and electrical plant, outlets, pumps	20 to 50 years	1% to 5%
Pipe work, appurtenances and associated structures	50 to 100 years	1% to 2%
Diminishing Value Depreciation		
Furniture and office equipment	2 to 15 years	6.67% - 50%
Plant and equipment	4 to 50 years	2% to 25%
Vehicles and plant	5 to 15 years	6.67% - 20%

The residual value and useful life of an asset is reviewed, and adjusted if applicable, at each financial year-end.

Employee entitlements

Short term employee entitlements

Wages and salaries, annual leave and other entitlements that are expected to be settled within twelve months of reporting date are measured at nominal values on an actual entitlement basis at current rates of pay. Upper Hutt City Council recognises a liability for sick leave to the extent that absences in the coming year are expected to be greater than the sick leave entitlements earned in the coming year.

Provisions

A provision is recognised 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.

Accounting Policies and Assumptions

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".

Long term entitlements

Entitlements that are payable beyond twelve months, such as long service leave and retirement gratuity, have been calculated on an actuarial basis.

The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

The amount is calculated based on the unused sick leave entitlement that can be carried forward at balance date, to the extent that Upper Hutt City Council anticipates it will be used by staff to cover those future absences.

Leases

Finance leases

A finance lease is a lease that transfers to the lessee substantially all the risks and rewards incidental to the ownership of an asset, whether or not title is eventually transferred. At the commencement of the lease term, Upper Hutt City Council recognises finance leases as assets and liabilities in the Prospective Statement of Financial Position at the lower of the fair value of the leased items or the present value of the minimum lease payments.

The finance charge is charged to the surplus or deficit over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability.

The amount recognised as an asset is depreciated over its useful life. If there is no uncertainty as to whether Upper Hutt City Council will obtain ownership at the end of the lease term, the asset is fully depreciated over the shorter of the lease term and its useful life.

Operating leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to the ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Borrowings

Borrowings are initially recognised at their fair value net of transaction costs incurred. After initial recognition, all borrowings are measured at amortised cost using the effective interest method. Borrowings are classified as current liabilities unless the council or group has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Accounting Policies and Assumptions

Equity

Equity is the community's interest in Upper Hutt City Council and is measured as the difference between total assets less total liabilities. Public equity is disaggregated and classified into the following components.

Components of equity are:

- accumulated funds
- restricted reserves
- asset revaluation reserve
- fair value through other comprehensive income reserve

Restricted reserves

Reserves are a component of equity generally representing a particular use to which various parts of equity have been assigned. Reserves may be legally restricted or created by the council.

Restricted reserves are those reserves subject to specific conditions accepted as binding by the council and which may not be revised by the council without reference to the Courts or third party. Transfers from these reserves may be made only for certain specified purposes or when certain specified conditions are met.

Council created reserves are reserves established by council decision. The council is legally allowed to alter them without reference to any third party. Transfers to and from these reserves are at the discretion of the council.

Property revaluation reserves

This reserve relates to the revaluation of property, plant and equipment to fair value.

Fair value through other comprehensive income reserves

This reserve comprises the cumulative net change in the fair value of fair value through other comprehensive income instruments.

Statement of cash flows

Operating activities include cash received from all income sources of council and record the cash payments made for the supply of goods and services. Investing activities are those activities relating to the acquisition and disposal of non-current assets. Financing activities comprise the change in equity and debt capital structure of the council.

Critical accounting estimates and assumptions

In preparing these Prospective financial statements Upper Hutt City Council has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and judgements 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 the next financial year are discussed below:

Accounting Policies and Assumptions

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 the council could be carrying an asset at an amount that does not reflect its actual condition. This is particularly so for those assets which are not visible, for example stormwater, wastewater and water supply pipes those 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; and
- estimates are made when 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 the useful lives do not reflect the actual consumption of the benefits of the asset, then Upper Hutt City Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Upper Hutt City Council infrastructural asset useful lives have been determined with reference to the NZ 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, deterioration and condition modelling are also carried out regularly as part of the Upper Hutt City Council's asset management planning activities, which gives Upper Hutt City Council further assurance over its useful life estimates
- experienced independent valuer's perform the council's infrastructural asset revaluations.

Critical judgements in applying accounting policies

Management has exercised the following critical judgements in applying accounting policies for the future:

- none

Accounting and significant forecasting assumptions

The accounting and significant forecasting assumptions on which this document is based are set out in the next section headed respectively, '**Accounting Assumptions**' and '**Significant Forecasting Assumptions**'.

Link to the Long Term Council Community Plan 2009-2019

Link to the Council's Long Term Council Community Plan (LTCCP)

Policies and assumptions relevant to the Annual Plan are included in the LTCCP, as follows:

Financial Policies and Assumptions	Liability Management Policy
	Investment Policy
	Policy on Development Contributions
	Rates Remission and Postponement Policies
	<ul style="list-style-type: none">• General Remissions Policy• Policy on Remission and Postponement
	Policy on Remission of Rates on Maori Freehold Land
	Accounting Policies
	Accounting Assumptions
Other Policies and Assumptions	Significant Forecasting Assumptions
	Policy on Public – Private Partnerships
	Policy on Significance
	Quality Assurance Statement

Prospective statement of comprehensive income

		Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
	NOTES				
Income					
Rates	1	27,268	28,752	28,750	(2)
Fees and charges	2	8,698	9,185	9,632	447
Subsidies and grants	3	5,108	3,554	2,603	(951)
Interest and dividends	4	181	241	241	0
Total Income		41,255	41,732	41,226	(506)
Expenditure					
Personnel costs	5	7,942	7,798	8,509	711
Depreciation and amortisation expense	5	11,402	10,560	10,878	318
Finance costs	5	1,637	1,624	1,883	259
Other expenses		21,212	22,763	22,078	(685)
Total operating expenditure		42,193	42,745	43,348	603
Surplus / (Deficit) before tax		(938)	(1,013)	(2,122)	(1,109)
Income tax expense		0	0	0	0
Surplus/(deficit) before and after tax	25	(938)	(1,013)	(2,122)	(1,109)
Other comprehensive income					
Gains on infrastructure assets revaluation	11	0	0	6,326	6,326
Financial assets at fair value through equity		0	0	0	0
Gains on operational and restricted assets revaluation	10 A and B	0	170	0	(170)
Total other comprehensive Income for the year, net of tax		0	170	6,326	6,156
Total comprehensive income for the year		(938)	(843)	4,204	5,047

The accompanying Accounting Policies and Notes form part of these Financial Statements.

Prospective statement of financial position

	Notes	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Equity					
Accumulated funds	17	242,928	241,558	242,375	817
Restricted reserves	18	2,202	1,502	2,125	623
Asset revaluation reserve	19	282,006	252,900	327,377	74,477
Total equity		527,136	495,960	571,877	75,917
Assets					
Current assets					
Cash and cash equivalents	6	1,637	633	81	(552)
Other financial assets	7	7,579	4,969	5,191	222
Derivative financial instruments	8	0	0	0	0
Trade and other receivables	9	2,994	3,003	2,986	(17)
Inventories		0	0	0	0
Total current assets		12,210	8,605	8,258	(347)
Non-current assets					
Non-current financial assets	7	323	233	233	0
Derivative financial instruments	8	0	9	0	(9)
Trade and other receivables	9	98	89	106	17
Operational property, plant and equipment	10 (A)	44,135	39,960	44,993	5,033
Restricted property, plant and equipment	10 (B)	34,038	17,474	32,183	14,709
Infrastructural assets	11	465,874	457,681	517,498	59,817
Total non-current assets		544,468	515,446	595,013	79,567
Total assets		556,678	524,051	603,271	79,220
Liabilities					
Current liabilities					
Trade and other payables	13	6,000	6,000	6,000	0
Derivative financial instruments	8	44	0	0	0
Employee entitlements	14	550	550	550	0
Borrowings - current	15	617	617	641	24
Total current liabilities		7,211	7,167	7,191	24
Non current liabilities					
Derivatives financial instruments	8	1,065	0	0	0
Employee entitlements	14	175	175	175	0
Borrowings - term portion	15	21,091	20,749	24,028	3,279
Total non current liabilities		22,331	20,924	24,203	3,279
Total liabilities		29,542	28,091	31,394	3,303
NET ASSETS		527,136	495,960	571,877	75,917

The accompanying Accounting Policies and Notes form part of these Financial Statements.

Prospective statement on changes of equity

	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Equity at the start of the year	528,074	496,803	567,673	70,870
Net surplus(deficit) for the year	(938)	(1,013)	(2,122)	(1,109)
Increase (decrease) in asset revaluation reserves	0	170	6,326	6,156
Total recognised revenues and expenses for the period	(938)	(843)	4,204	5,047
Total transfer to trust accounts	0	0	0	0
Prospective equity at end of year	527,136	495,960	571,877	75,917
Accumulated funds	242,928	241,558	242,375	817
Revaluation reserves	282,006	252,900	327,377	74,477
Restricted reserves	2,202	1,502	2,125	623
Prospective statement of financial position equity	527,136	495,960	571,877	75,917

Additions may be incorrect due to rounding

The accompanying Accounting Policies and Notes form part of these Financial Statements.

Prospective cash flow statement

	Notes	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Cash flow from operating activities					
Cash was provided from:					
Rates and other receipts		38,741	39,110	38,740	(370)
Interest received	4	181	241	241	0
		<u>38,922</u>	<u>39,351</u>	<u>38,981</u>	<u>(370)</u>
Cash was applied to:					
Payments to suppliers and employees		(29,112)	(29,910)	(30,565)	(655)
Interest paid	5	(1,637)	(1,624)	(1,883)	(259)
Goods and services tax (net)		0	0	0	0
		<u>(30,749)</u>	<u>(31,534)</u>	<u>(32,448)</u>	<u>(914)</u>
Net cash inflow (outflow) from operating activities		8,173	7,817	6,533	(1,284)
Cash flow from investing activities					
Cash was provided from:					
Proceeds from sale of fixed assets		0	39	86	47
Decrease in investments		1,724	1,043	360	(683)
		<u>1,724</u>	<u>1,082</u>	<u>446</u>	<u>(636)</u>
Cash was applied to:					
Increase in investments		0	0	0	0
Purchase of fixed assets		(14,950)	(9,897)	(8,260)	1,637
		<u>(14,950)</u>	<u>(9,897)</u>	<u>(8,260)</u>	<u>1,637</u>
Net cash inflow (outflow) from investing activities		(13,226)	(8,815)	(7,814)	1,001
Cash flow from financing activities					
Cash was provided from:					
Loan raised	15	3,638	1,518	3,940	2,422
Cash was applied to:					
Loan repayments	15	(572)	(609)	(620)	(11)
Net cash inflow (outflow) from financing activities		3,066	909	3,320	2,411
Cash, cash equivalents and bank overdrafts as at 01 July		3,624	722	(1,958)	(2,680)
Net increase (decrease) in cash equivalents and bank overdrafts		(1,987)	(89)	2,039	2,128
Cash, cash equivalents and bank overdrafts as at 30 June		1,637	633	81	(552)

Notes to the financial statements

1 – Rates	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
General rates	15,622	16,836	16,254	(582)
Targeted rates water fire protection	999	1,096	1,076	(20)
Targeted rates water supply	2,884	3,241	3,282	41
Targeted rates stormwater	2,132	1,933	2,187	254
Targeted rates wastewater	5,401	5,443	5,717	274
Targeted rate Karapoti Bridge	2	2	2	0
Rates penalties	228	201	232	31
Total rates income	27,268	28,752	28,750	(2)

Rates remission

Rates revenue is shown net of rate remission.

Upper Hutt City Council's rate remission policy allows Upper Hutt City Council to remit or postpone rate or penalties on condition of ratepayer's extreme hardship, land used for sport, and land protected for historical or cultural purposes also covers general rates under selected criteria for the Upper Hutt City Council's Economic Development Policy.

Rates remissions	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Total gross rates revenue	27,488	28,866	28,859	(7)
Less rates remission				
Land used for sport	91	93	94	1
Rate penalties remission	25	21	15	(6)
Remission economic development policy	104	0	0	0
Rates revenue net of remissions	27,268	28,752	28,750	(2)

Non-rateable land

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates.

These properties include schools, place of worship, public gardens and reserves.

These non-rateable properties may be subject to targeted rates in respect of sewerage, water, refuse and sanitation.

Notes to the financial statements

2 - Fees and charges	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Metered water charges	1,091	1,118	999	(119)
Property rentals	123	282	147	(135)
Permit and Licence Fees	1,714	1,768	1,731	(37)
H ² O Xstream and Expression Charges	1,348	1,259	1,273	14
Library, Parks, Cemetery and Community Charges	494	473	531	58
Vested assets	2,333	2,332	2,245	(87)
Reserve and Rooding Development Fund Charges	371	685	457	(228)
Solidwaste charges	657	693	636	(57)
Other charges	567	575	1,613	1,038
Total Fees and charges income	8,698	9,185	9,632	447

N.B.

- Metered water charges, although levied and recoverable under the Local Government (Rating) Act, are included with fees and charges as this more accurately represents the nature of the charge.
- Metered properties are properties that consume more than 260 cubic metres of water per year.

3 - Subsidies and grants	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Rooding subsidies - NZ Transport Agency (NZTA ¹)	4,237	2,834	1,865	(969)
Petrol tax (Crown)	155	164	155	(9)
Public transport subsidies (GWRC ²)	0	34	0	(34)
Rural fire subsidies (GWRC ² and NRFA ³)	8	8	0	(8)
Subsidies for Activation	177	69	122	53
Other grants and subsidies	531	445	461	16
Total Subsidies and Grants Income	5,108	3,554	2,603	(951)

¹NZTA - NZ Transport Agency

²GWRC - Greater Wellington Regional Council

³NFRA - National Rural Fire Authority

Notes to the financial statements

4 - Interest and dividends	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Interest on general funds	102	102	136	34
Interest on special funds	79	139	104	(35)
Dividends	0	0	1	1
Total Interest and Dividend Income	181	241	241	0

5 - Other expenditure and items for disclosure	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Employees costs - salaries and wages	7,942	7,798	8,509	711
Increase/decrease in employee benefit liabilities	0	0	0	0
Local government association	32	32	33	1
Employees association	4	4	4	0
Insurance	261	216	400	184
Disaster fund insurance	54	58	243	185
Entertainment	21	16	16	0
Civic functions	18	19	18	(1)
Audit fees	133	136	122	(14)
Audit Fees - LTCCP	0	74	80	6
Interest Expenses	1,637	1,624	1,883	259
Rental	269	318	262	(56)
Depreciation:				
Individual components are:				
Buildings (operational)	744	1,005	731	(274)
Buildings (restricted)	96	71	79	8
Furniture and equipment (operational)	33	55	17	(38)
Vehicle, computer equipment and plant	335	614	267	(347)
Library books	302	293	220	(73)
Property available for sale	3	0	0	0
Parks and reserves services	295	46	276	230
Land transport	4,255	3,668	4,125	457
Stormwater	1,266	1,115	1,238	123
Wastewater	1,463	1,298	1,413	115
Water supply	1,267	1,102	1,206	104
Hutt Valley wastewater project	1,344	1,293	1,306	13

Notes to the financial statements

	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Impairment of receivable	7	14	2	(12)
Impairment of property, plant and equipment	0	0	0	0
Loss on sale of assets	42	607	22	(585)
Rates remissions - sports clubs and other non profit bodies as per the Upper Hutt City Council	91	93	94	1
Penalty remissions	25	21	15	(6)
Derivative expenses	0	44	0	(44)
Other items for disclosure				
Derivative income	0	(49)	0	49
Profit on sale of assets	0	0	0	0
6 - Cash and cash equivalents				
	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Cash on hand	4	3	4	1
Bank Balances (overdrafts)	633	330	7	(323)
Call account	1,000	300	70	(230)
Short term deposits maturing three months or less from data of acquisition	0	0	0	0
Total Cash and Cash Equivalents	1,637	633	81	(552)

The estimated carry value of short term deposits with maturity dates of three months of less approximates their fair value.

Refer to note 7 on estimated weighted average effective interest rate for cash and cash equivalents

The bank overdraft is unsecured. The facility totals \$600,000 (2011), \$600,000 (2010). The current interest rate on the facility is 11.40% per annum.

In the table above in note 6, cash and bank overdrafts are estimated as the same for the purposes of the Prospective Cash Flow Statement.

Notes to the financial statements

7 - Other financial assets	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Current Portion				
<i>Loans and receivables</i>				
Short-term deposits with maturities of 4-12 months	7,579	4,969	5,191	222
Total Current Portion	7,579	4,969	5,191	222
Non-Current portion				
<i>Loans and receivables</i>				
PINS Security	7	7	7	0
<i>Fair Value through Equity- Unlisted Shares</i>				
Investment in Civic Assurance Ltd	51	51	51	0
Investment in Smartlinx ³ Ltd	265	175	175	0
Total Non-Current Portion	323	233	233	0

Estimated Carry value of short term equates to estimated fair value.

Valuation of unlisted shares is based on the carrying value which approximates their fair value.

PINS Investment has been written down to its current realizable value as at 30 June 2010.

There were no impairment provisions for other financial assets.

Notes to the financial statements

Estimated maturity analysis and effective interest rates	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
The estimated maturity dates for all financial assets with the exception of equity investments are as follows:				
Short Term deposits (with maturities 3 months or less)	0	0	0	0
Estimated Weighted average effective interest rate	4.00%	4.83%	4.83%	0.00%
Short term deposits (with maturities of 4-12 months or less)	7,579	4,969	5,191	222
Estimated Weighted average effective interest rate	4.00%	4.83%	4.83%	0.00%
PINS Security (maturity 31/01/2014)	7	7	7	0
Estimated Weighted average effective interest rate	100%	0%	100%	100%
Call account	1,000	300	100	(200)
Estimated Weighted average effective interest rate	4.00%	6.50%	6.50%	0%

8 - Derivative financial instruments	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Current asset portion	0	0	0	0
Non-current asset portion	0	9	0	(9)
Current liability portion	(44)	0	0	0
Non-current liability portion	(1,065)	0	0	0

The swap matures on 27 March 2013 (\$2.895M).

Notes to the financial statements

9 - Trade and other receivables	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Rates receivable	727	727	727	0
Sundry debtors	959	977	951	(26)
Community loans	131	113	139	26
GST	339	339	339	0
Accrued revenue	806	806	806	0
Prepayments	212	212	212	0
	<u>3,174</u>	<u>3,174</u>	<u>3,174</u>	<u>0</u>
Less provision for impairment of receivables	(82)	(82)	(82)	0
Total trade and other receivables	3,092	3,092	3,092	0
Less non-current portion:				
Community loans	98	89	106	17
Total non-current portion	98	89	106	17
Current portion	2,994	3,003	2,986	(17)
Fair value has been determined using cashflows discounted at a rate of 7.75%				
The fair value of community loans over the 10 years is:	131	113	139	26
The face value of community loans over the 10 years is:	155	116	160	44

The estimated carrying value of trade and other receivables (excluding community loans) approximates their fair value.

There is no concentration of credit risk with respect to receivables outside the group, as the group has a large number of customers.

Upper Hutt City Council does not provide for any impairment on rates receivable as it has various powers under the Local Government (Rating) Act 2002 to recover any outstanding debts.

Ratepayers can apply for payment plan options in special circumstances.

Upper Hutt City Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

Notes to the financial statements

Movements in the provision for impairment of receivables and community loans	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Opening balance as at 1 July	82	82	82	0
Additional provisions made during the year	7	14	2	(12)
Receivables written off during the period	(7)	(14)	(2)	12
Closing balance as at 30 June	82	82	82	0

Estimated age of rates receivables The age of rates receivables overdue that have not been impaired are as follows:	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Current 90 days over	625	625	622	(3)
1-2 years old	102	24	100	76
2-3 years old	0	5	5	0
2 Greater than 3 years old	0	73	0	(73)
Carrying amount as at 30 June	727	727	727	0

10 (a) - Operational property, plant and equipment	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Opening cost/ valuation as at 1 July	44,493	50,195	50,637	442
Accumulated depreciation and impairment charge	(1,404)	(9,133)	(5,120)	4,013
Opening book value as at 1 July	43,089	41,062	45,517	4,455
Current years additions	2,425	509	877	368
Current years disposals	0	0	0	0
Current year revaluation	0	170	0	(170)
Current year depreciation	(1,379)	(1,781)	(1,401)	380
WIP transferred	0	0	0	0
Closing book value as at 30 June	44,135	39,960	44,993	5,033
Closing cost/ valuation	46,918	50,704	51,514	810
Closing accumulated depreciation	(2,783)	(10,744)	(6,521)	4,223
Closing book value as at	44,135	39,960	44,993	5,033

Notes to the financial statements

10 (b) - Restricted property, plant and equipment	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Opening cost/ valuation as at 1 July	34,199	18,444	32,378	13,934
Accumulated depreciation and Impairment charge	(412)	(1,809)	(416)	1,393
Opening book value as at 1 July	33,787	16,635	31,962	15,327
Current years additions	679	1,142	414	(728)
Current years disposals	0	0	0	0
Current year revaluation	0	0	0	0
Current year depreciation	(428)	(303)	(193)	110
WIP transferred	0	0	0	0
Closing book value as at 30 June	34,038	17,474	32,183	14,709
Closing cost/ valuation	34,878	19,586	32,791	13,205
Closing accumulated depreciation	(840)	(2,112)	(608)	1,504
Closing book value as at 30 June	34,038	17,474	32,183	14,709

11 - Infrastructure assets	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Opening cost/ valuation as at 1 July	470,243	482,963	540,176	57,213
Accumulated Depreciation and Impairment Charge	(8,911)	(26,780)	(28,845)	(2,065)
Opening book value as at 1 July	461,332	456,183	511,331	55,148
Current years additions	14,179	10,581	9,215	(1,366)
Current years disposals	(42)	(607)	(86)	521
Current year revaluation	0	0	6,326	6,326
Current year depreciation	(9,595)	(8,476)	(9,288)	(812)
WIP transferred	0	0	0	0
Closing book value as at 30 June	465,874	457,681	517,498	59,817
Closing cost/ valuation	484,380	492,937	555,631	62,694
Closing accumulated depreciation	(18,506)	(35,256)	(38,133)	(2,877)
Closing book value as at 30 June	465,874	457,681	517,498	59,817

Notes to the financial statements

12 - Hutt Valley wastewater scheme

The Local Government (Wellington Region) Reorganisation Order 1989 transferred the functions of the Hutt Valley Drainage Board to the Hutt City Council. In so doing, the reorganisation provided for a joint committee to be established between the Upper Hutt and Hutt City Councils to consider the coordination of the two councils in respect of matters affecting the Hutt Valley as a whole, and the disposal of wastewater in particular.

The joint Hutt Valley Wastewater Scheme has been constructed to improve the operation of the system and quality of the discharge. Upper Hutt pays an annual levy to the Hutt City Council, which manages the Wastewater system, based on an apportionment of between 26% and 31% for Upper Hutt City Council.

Upper Hutt City Council is funding the Hutt Valley Wastewater Scheme in line with the Strategic Plan Funding model.

While Upper Hutt City Council does not have any direct control over the Scheme it is entitled to a share of the proceeds from any sale of the Scheme's assets.

The Hutt Valley Wastewater Scheme was valued on the depreciated replacement value basis as at 1 July 2006.

The valuation of these assets was independently reviewed by Graham Hughson, BE (Civil), DIP Mgmt, CPEng, MIPENZ, Senior Infrastructure Management Consultant of Maunsell Ltd.

Upper Hutt City Council has an equitable interest in the total asset of \$37.081M (2011), \$37.081M (2010) which is recognised as part of Infrastructural assets.

This is the assessed net book value of the Upper Hutt City Council share.

Hutt Valley wastewater scheme transactions	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Drainage levy	2,208	2,292	2,480	188
Capital contributions	510	527	599	72
Trade waste income	(125)	(132)	(126)	6

Notes to the financial statements

13 - Trade and other payables	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Trade creditors	3,244	3,244	3,244	0
Rates in advance	403	403	403	0
Greater Wellington Regional Council rates	222	222	222	0
Fees in advance	850	850	850	0
Accrued interest payable	49	49	49	0
Payroll liability	106	106	106	0
Other liabilities	40	40	40	0
Deposits and trust accounts	1,086	1,086	1,086	0
Total trade and other payables	6,000	6,000	6,000	0

14 - Employees entitlements	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Accrued pay	100	100	100	0
Annual leave	425	425	425	0
Sick leave	25	25	25	0
Total current portion	550	550	550	0
Non current liabilities				
Retirement and long service leave	175	175	175	0
Total non-current portion	175	175	175	0
Total employee entitlements	725	725	725	0

Notes to the financial statements

15 – Public debt	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Opening balance	18,642	20,457	21,349	892
Loans raised during the year	3,638	1,518	3,940	2,422
Less repayments during the year	(572)	(609)	(620)	(11)
Balance as at 30 June	21,708	21,366	24,669	3,303
Less current borrowings repayable in 12 months	(617)	(617)	(641)	(24)
Closing balance for non-current borrowings	21,091	20,749	24,028	3,279

Fixed-rate debt

Upper Hutt City Council's secured debt of \$7.584M (2011), \$5.18M (2010) is issued at fixed rates of interest.

Floating-rate debt

Upper Hutt City Council's secured debt of \$12.927M (2011), \$13.437M (2010) is issued at floating rates of interest.

Security

From 27 June 2001 all current fixed term loan facilities are secured by the council's Debenture Trust Deed with security over rates income.

Upper Hutt City Council has issued security stock to the value of \$24.258M as at 30 June 2011, \$20.869M (2010), under its Debenture Trust Deed. This stock has been issued to three banking institutions, as security for existing committed funds of \$23.638M (2011), \$20.294M (2010) and uncommitted facilities available to the value of \$0.62M (2011), \$0.62M (2010)

Interest expenses rates	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
The weighted average interest rate on loans outstanding (current and noncurrent) at 30 June 2011 is estimated as:	8.0%	7.6%	8.0%	0.4%

The loans are secured by a rate pursuant to Section 115 of the Local Government Act 2002 upon the rateable property of the City of Upper Hutt.

Notes to the financial statements

16 - Financial instruments

The financial instruments which expose the council to credit risk are principally bank balances, investments, accounts receivable, creditors and term loans.

The council's main bank accounts are held with the ANZ National Bank Limited. The credit risk is reduced by ensuring that the balances in the accounts are at sufficient levels to fund day to day operations of the council. Surplus funds are invested with trading banks and organisations with credit ratings of not less than AA-.

The level and spread of accounts receivable minimises the council's exposure to credit risk. Council does not engage in any material transactions in foreign currencies and therefore is not exposed to any material foreign currency risk.

Council's term loans are borrowed at fixed and floating interest rates. The main interest rate risk council is exposed to is that interest rates will fluctuate during the currency of the loans.

In addition, many of council's term loans are refinanced before ultimate repayment. Council is exposed to a risk that interest rates will have increased at the time loans are refinanced.

To minimise this risk, loans are structured to avoid a concentration of refinancing at one time, and a portion of the current loans are covered by interest rate swaps to the value of \$2.895M.

The swap matures on 27 March 2013 (\$2.895M).

The fair value of other financial instruments (except for Stocks and Bonds) is equivalent to the carrying amount disclosed in the Prospective Statement of Financial Position.

17 - Accumulated funds	Forecast	Forecast	Forecast	Forecast
	Annual Plan Year 2 2010-11 (\$ 000)	LTCCP Year 3 2011-12 (\$ 000)	Annual Plan Year 3 2011-12 (\$ 000)	Variation Year 3 2011-12 (\$ 000)
Opening balance	241,972	241,496	242,929	1,433
Net operating surplus (deficit)	(938)	(1,013)	(2,122)	(1,109)
	241,034	240,483	240,807	324
Transfer to:				
Restricted reserves	(565)	(930)	(695)	235
Accounts restricted by law	0	0	0	0
Asset revaluation reserve on disposal of property, plant and equipment	0	0	0	0
	(565)	(930)	(695)	235
Transfer from:				
Restricted reserves	1,898	1,819	2,071	252
Accounts restricted by law	561	186	192	6
Asset revaluation reserve on disposal of property, plant and equipment	0	0	0	0
	2,459	2,005	2,263	258
Closing balance as at 30 June	242,928	241,558	242,375	817

Notes to the financial statements

18 - Reserves

The council's capital is its equity (or ratepayers' funds), which comprise retained earnings and reserves.

Equity is represented by net assets.

The Local Government Act 2002 (the act) requires the council to manage its revenues, expenses, assets, liabilities, investment and general financial dealings and in a manner that promotes the current and future interests of the community. Ratepayer's funds are largely managed as a by-product of managing revenues, expenses, assets, liabilities, investments and general financial dealings.

The objective of managing these items is to achieve intergenerational equity, which is a principle promoted in the Act and applied by the council. Intergenerational equity requires today's ratepayers to meet the costs of utilising the council's assets and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations are not required to meet the costs of deferred renewals and maintenance.

The Act requires the council to make adequate and effective provision in its Long Term Council Community Plan (LTCCP) and in its Annual Plan (where) applicable to meet the expenditure need identified in those plans, and the Act sets out the factors that the council is required to consider when determining the most appropriate sources of funding for each of its activities. The sources and levels of funding are set out in the funding and financial policies in the council's LTCCP.

Upper Hutt City Council has the following council reserves:

- Reserves for different benefit
- Special Reserves

Reserves for different areas of benefit are used where there is a discrete set of rate or levy payers as distinct from the general rate.

Any surplus or deficit relating to these separate areas of benefit is applied to the specific reserves.

Special reserves are set up where council has defined a specific purpose.

Interest is added to these reserves where applicable and deductions made when funds have been used for the purpose they were created.

18 - Restricted reserves funds	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
(a) Special funds	1,883	1,489	1,019	(470)
(b) Other accounts restricted by law	319	13	1,106	1,093
Total restricted reserves	2,202	1,502	2,125	623

Notes to the financial statements

18(a) Special funds	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Opening balance	3,216	2,378	2,395	17
Transfer from net surplus	486	791	591	(200)
Interest received	79	139	104	(35)
	3,781	3,308	3,090	(218)
Transfers to net surplus	(1,898)	(1,819)	(2,071)	(252)
Total special funds balance as at 30 June	1,883	1,489	1,019	(470)
Special funds closing balances as at 30 June consists of:				
General reserve	0	0	0	0
Amenities fund	237	267	286	19
Civic amenities fund	0	27	9	(18)
Plant renewal	49	84	55	(29)
Reserve fund contribution	759	571	230	(341)
Property sales	26	71	12	(59)
Sierra Way subdivision	108	122	115	(7)
Harcourt Park maintenance fund	8	0	0	0
Akatarawa roading levy	38	66	62	(4)
Kaitoke roading levy	156	55	56	1
Mangaroa roading levy	71	95	107	12
Katherine Mansfield levy	15	18	6	(12)
Blue Mountain levy	24	64	23	(41)
Moonshine Hill levy	22	4	4	0
Alexander Road levy	112	45	54	9
Library development	223	0	0	0
Trench resealing levy	35	0	0	0
Total special funds	1,883	1,489	1,019	(470)

Notes to the financial statements

18(b) Other accounts restricted by law	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Opening balance	880	199	1,298	1,099
Transfer from net surplus	0	0	0	0
Transfer from accumulated funds	0	0	0	0
	880	199	1,298	1,099
Transfer to accumulated funds	(561)	(186)	(192)	(6)
Transfers to net surplus	0	0	0	0
Total other accounts restricted by law as at 30 June	319	13	1,106	1,093

Other accounts restricted by law consists of:	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Dog control account	27	13	35	22
Water rate account	200	0	237	237
Stormwater rate account	92	0	269	269
Wastewater rate account	0	0	565	565
Total other accounts restricted by law	319	13	1,106	1,093

Notes to the financial statements

19 - Asset revaluation reserves	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Opening balance	282,006	252,730	321,051	68,321
Change in asset revaluation	0	170	6,326	6,156
Less revaluation attributed to assets sold	0	0	0	0
Closing balance as at 30 June	282,006	252,900	327,377	74,477
Consists of :-				
General asset revaluation reserve	25,489	22,092	23,982	1,890
Land asset revaluation reserve	23,362	3,355	23,362	20,007
Roading asset revaluation reserve	73,163	73,288	101,829	28,541
Stormwater asset revaluation reserve	54,651	54,651	63,136	8,485
Hutt valley wastewater scheme	23,132	17,269	18,984	1,715
Wastewater asset revaluation reserve	47,820	47,820	54,806	6,986
Water asset revaluation reserve	34,389	34,425	41,278	6,853
Total asset revaluation reserves	282,006	252,900	327,377	74,477

20 - Contingencies	Forecast	Forecast	Forecast	Forecast
	Annual Plan	LTCCP	Annual Plan	Variation
	Year 2	Year 3	Year 3	Year 3
	2010-11	2011-12	2011-12	2011-12
	(\$ 000)	(\$ 000)	(\$ 000)	(\$ 000)
Contingent liabilities				
(a) Guarantees	0	0	0	0
(b) Other legal proceedings	91	119	871	752
Total contingent liabilities	91	119	871	752

(a) Guarantees

The value of guarantees disclosed as contingent liabilities reflects Upper Hutt City Council's assessment of any loans guaranteed by council to local sporting groups.

Currently Upper Hutt City Council has made no guarantees.

(b) Unquantified claims

Upper Hutt City Council has 6 claims (2011), 5 claims (2010) outstanding: 5(2011), 3(2010) have proceedings issued on them.

Contingent assets

Upper Hutt City Council operates a scheme whereby sports clubs are able to construct facilities (e.g. club rooms on council owed reserve land).

Notes to the financial statements

The Club control the use of these facilities and Upper Hutt City Council will only gain control of the asset if the club vacates the facility.

Until this event occurs these assets are not recognised as assets in the Prospective Statement of Financial Position.

As at 30 June 2011 there are 35 facilities, (17 in 2010) having an approximate value of \$7.35M (\$4.887M 2010). This estimate is based on Government valuation for this area.

21 - Discontinued activities

Under this LTCCP Activation ceases in the fifth year 2013-14.

22 - Expressions Arts and Entertainment Centre

Expressions Arts and Entertainment Centre is managed by an independent trust however Upper Hutt City Council owns the building assets.

23 - Net operating surplus (deficit)

The fact that recent revaluations (2007, 2008, 2009 and 2010) for all council assets have been undertaken means that current depreciation expense (consumption of the economic benefits of an asset over its useful life) does not reflect intended replacement plans and the council would be overfunding these assets if it was to 'fund' for depreciation on this basis.

24 - Inflation	Forecast	Forecast
	Annual Plan	LTCCP
	Year 2	Year 2
	2011-12	2011-12
Compounding average general inflation rate	0.00%	5.53%
General inflation per year	0.00%	2.65%

The average percentages as shown above have been applied to most items within the published accounts for the years shown. Refer also to the note on Inflation, Accounting Assumptions, Book 2 Policies, in the LTCCP 2019.

Notes to the financial statements

25 - Reconciliation of surplus before appropriation to cashflow from operating activities	Forecast Annual Plan Year 2 2010-11 (\$ 000)	Forecast LTCCP Year 3 2011-12 (\$ 000)	Forecast Annual Plan Year 3 2011-12 (\$ 000)	Forecast Variation Year 3 2011-12 (\$ 000)
Surplus/ (deficit) before appropriations	(938)	(1,013)	(2,122)	(1,109)
Add non cash items				
Depreciation	11,402	10,560	10,878	318
Vested assets	(2,333)	(2,332)	(2,245)	87
Increase/(Decrease) in bad debts	0	0	0	0
Loss on derivative	0	44	0	(44)
Gain on derivative	0	(49)	0	49
Amortisation of premium	0	0	0	0
	9,069	8,223	8,633	410
Add/less Items classified as investing or financing activities				
Loss on disposal of fixed assets	42	607	22	(585)
Profit on sale of fixed assets	0	0	0	0
	42	607	22	(585)
Movements in working capital items				
(Increase)/decrease in trade receivables	0	0	0	0
(Increase)/decrease in inventories	0	0	0	0
Increase /(decrease) in employee entitlements	0	0	0	0
Increase/(decrease) in trade and other payables	0	0	0	0
	0	0	0	0
Net inflow/(outflow) from operating activities	8,173	7,817	6,533	(1,284)

Schedule of special funds

	LTCCP 2011-2012 YEAR				Annual Plan 2011-2012 YEAR				Variation Balance 30/06/12 (\$ 000)	
	Forecast Balance 1/7/2011 (\$ 000)	Forecast Transfers In (\$ 000)	Forecast Interest Income (\$ 000)	Forecast Transfer Out (\$ 000)	Forecast Balance 1/7/2011 (\$ 000)	Forecast Transfers In (\$ 000)	Forecast Interest Income (\$ 000)	Forecast Transfer Out (\$ 000)		Forecast Balance 30/06/12 (\$ 000)
General reserve	0	0	0	0	0	0	0	0	0	0
Amenities fund	245	4	18	0	267	12	16	0	286	19
Civic amenities fund	25	0	2	0	27	0	8	(247)	9	(18)
Plant renewal	83	102	6	(107)	84	117	3	(105)	55	(29)
Reserve fund contribution	1,298	524	65	(1,316)	571	300	44	(1,394)	230	(341)
Property sales	63	0	8	0	71	0	4	0	12	(59)
Sierra Way subdivision	113	0	9	0	122	0	7	0	115	(7)
Harcourt Park maintenance fund	0	3	0	(3)	0	4	0	(4)	0	0
Akatarawa roading levy	52	10	4	0	66	10	3	0	62	(4)
Kaitoke roading levy	164	17	7	(133)	55	17	6	(132)	56	1
Mangaroo roading levy	118	19	8	(50)	95	19	7	(50)	107	12
Katherine Mansfield levy	17	0	1	0	18	0	0	0	6	(12)
Blue Mountain levy	61	48	5	(50)	64	48	2	(50)	23	(41)
Moonshine hill levy	23	10	1	(30)	4	10	1	(31)	4	0
Alexander Road levy	116	54	5	(130)	45	54	3	(58)	54	9
Total special funds	2,378	791	139	(1,819)	1,489	591	104	(2,071)	1,019	(470)

Performance ratios

		Annual Plan Forecast Year 2 2010-11	LTCCP Forecast Year 3 2011-12	Annual Plan Forecast Year 3 2011-12
<u>Liquidity ratios:</u>				
These ratios measures the council's ability to meet its maturing short term obligations				
-Current ratio	Times	1.7 :1	1.2 :1	1.1 :1
This ratio measures the council ability to pay off short term obligations.				
<u>Leverage ratios:</u>				
This ratio measures the extent to which the council has been financed by debt.				
-Debt ratio	%	5.3%	5.4%	5.2%
This ratio, of total debt to total assets, measures the percentage of total funds provided by liabilities				
<u>Activity ratios:</u>				
This ratio measures how effectively the council is using its resources.				
-Average collection period	Days	27	26	27
This represents the average length of time the council must wait after making a charge before receiving payment.				
<u>Borrowing and investment policy ratios:</u>				
-Total interest expense will not exceed 10 percent of annual rates	%	6.0%	5.6%	6.5%
-Ratio of public debt to annual rates and levies will not exceed 150 percent	Times	52.6%	51.2%	59.8%
-Public debt per assessable ratepayer properties will not exceed \$2,500	\$	\$1,350	\$1,322	\$1,527
-Public debt per capita will not exceed \$1,000.	\$	\$529	\$521	\$602

Funding impact statement

		Forecast Annual Plan Year 2 2010-2011 (\$ 000)	Forecast LTCCP Year 3 2011-2012 (\$ 000)	Forecast Annual Plan Year 3 2011-2012 (\$ 000)	Forecast Variation Year 3 2011-2012 (\$ 000)
	NOTES				
Expenditure					
Operating expenses		42,193	42,745	43,348	603
Capital expenditure		14,950	9,899	11,415	1,516
Borrowing (loan repayments)	15	572	609	620	11
Total expenditure		57,715	53,253	55,383	2,130
Funding					
General rates and penalties	1	15,849	17,037	16,486	(551)
Targeted rates	1	11,419	11,715	12,264	549
Fees and charges and general interest		8,799	9,288	9,769	481
Subsidies and grants	3	5,108	3,554	2,603	(951)
Borrowing raised	15	3,638	1,518	3,940	2,422
Depreciation and unfunded items		9,201	8,929	8,648	(281)
Special funds (net)		3,701	1,212	1,673	461
Total funding		57,715	53,253	55,383	2,130

Funding impact statement

FUNDING IMPACT STATEMENT – Differential and targeted rating schedule

This schedule defines the detail that will apply for the 2011-2012 rating year and is to be read in conjunction with council's Revenue and Financing Policy and the rest of the Funding Impact Statement.

1. General Rates

General rates are calculated on the capital value of all rateable properties in the city and assessed on a differential basis. Under differential rating, all property is allocated to one of the following differential rating groups based on zoning or usage and a differential, based on a factor of 100 for the standard differential group, is used for the calculation of general rates as follows.

For 2011/2012 council will apply the following differential factors:

DIFFERENTIAL RATING GROUP ¹	FACTOR
Standard	100
Residential high value ²	Scaled factor from 99.91 to 59.82
Rural ³	73
Rural high value ³	Scaled factor from 72.48 to 59.82
Business ⁴	265
Utilities ⁴	275

NOTES

1. The categories are as defined in this document
2. Refer to the Residential High Value Sub-group Table below for the scaled factors
3. Council reviewed the Rural 33 differential rating category in December 2007 and will maintain the existing differential factor for general rates levied from this category in 2011-2012. In 2011-2012 council will apply the same concessional arrangements applied to high value residential rating units to high value rural rating units where this is to the benefit of the ratepayer. Refer to the Rural High Value Sub-group Table below for the scaled factors
4. Council reviewed the Business and Utilities differential rating categories in December 2007 and will maintain the individual relativity of general rates levied from those categories.

Funding impact statement

Residential high value sub-group	Capital value range		Differential factor
101	1,025,000	1,049,999	99.91
106	1,050,000	1,074,999	97.77
111	1,075,000	1,099,999	95.73
116	1,100,000	1,124,999	93.78
121	1,125,000	1,149,999	91.92
126	1,150,000	1,174,999	90.14
131	1,175,000	1,199,999	88.43
136	1,200,000	1,224,999	86.80
141	1,225,000	1,249,999	85.23
146	1,250,000	1,299,999	83.73
151	1,300,000	1,399,999	80.89
156	1,400,000	1,449,999	75.83
161	1,450,000	1,474,999	73.56
166	1,475,000	1,524,999	72.48
171	1,525,000	1,549,999	70.43
176	1,550,000	1,649,999	69.46
181	1,650,000	1,699,999	65.85
186	1,700,000	1,749,999	64.21
191	1,750,000	1,849,999	62.66
196	1,850,000	over	59.82

Rural high value sub-group	Capital value range		Differential factor
166	1,475,000	1,524,999	72.48
171	1,525,000	1,549,999	70.43
176	1,550,000	1,649,999	69.46
181	1,650,000	1,699,999	65.85
186	1,700,000	1,749,999	64.21
191	1,750,000	1,849,999	62.66
196	1,850,000	over	59.82

2. Targeted rates

2.1 Water

For 2011-2012 council has resolved to collect the revenue needed for the water supply service on the following basis.

- of the total revenue, required for the water supply service, 20 percent has been identified as required for fire protection purposes. This will be raised by way of a set rate per dollar, on a capital value basis, for each property, differentiated by whether the property is serviced or serviceable. If the rating unit can be but is not supplied with water and is situated within 100 metres of any part of the water works ("a serviceable property") a "serviceable" rate of 50 percent of the full "serviced" rate will be made
- of the total revenue, required for the water supply service, 60 percent has been identified as required for general water supply, by way of uniform annual charges on each serviced or serviceable property. If the rating unit can be but is not

Funding impact statement

supplied with water and is situated within 100 metres of any part of the water works ("a serviceable property") 50 percent of the full "serviced" uniform annual charge will apply

- of the total revenue, required for the water supply service, 20 percent has been identified as required for general water supply, by way of a user charge set based on the quantity of water used as calculated by water meters installed on the properties concerned.

2.2 Stormwater

For 2011-2012 council has resolved to collect the revenue needed for stormwater purposes by way of a set rate per dollar on capital value, on a differential basis, with businesses having a differential factor of 140 and other properties a factor of 100. This rate will apply to all rating units contained within the Upper Hutt Urban Drainage District (shown as the shaded area on the attached map labelled Upper Hutt Urban Drainage District).

2.3 Wastewater

The targeted rate for wastewater disposal will be a uniform annual charge, which will apply to all water-closets (pans) or urinals connected to a public sewage drain. Business properties will be assessed in accordance with council's Revenue and Financing Policy. All residential separately used or inhabited parts are deemed to have not more than one part or urinal under the Local Government (Rating) Act 2002 Schedule 3 Note 4. (A separately used or inhabited part is defined in council's Revenue and Financing Policy).

For 2011-2012 with regard to schools in the city, council has resolved to calculate the number of whole charges based on a formula which calculates the number of applicable charges as being the **lesser of**:

- (a) the assessed number as above for non-residential rating units, and
- (b) the number of charges based on the following formula:

Volume of water used per annum divided by 260,

(260 being the number of cubic metres assessed as being a standard residential unit annual usage).

2.4 Other targeted rates

There is only one other targeted rate, the Karapoti Bridge rate. For 2011-2012 council has resolved to collect the Karapoti Bridge rate, by way of a rate per dollar on capital value. This will be set on land contained within Valuation References 15190-001-00-00, 15190-002-01-A0 and 15190-002-01-B0. The revenue sought from this rate is to be applied to meet the cost plus interest of monies advanced from Special Funds for the purposes of construction of the Karapoti Bridge for the benefit of the properties above.

2.5 Lump sum contributions

Council will not invite lump sum contributions to targeted rates in 2011-2012.

Funding impact statement

FUNDING IMPACT STATEMENT – Differential definitions

For 2011-2012 council has resolved to define its differential rating categories, to which all rateable property in the district of Upper Hutt shall be allocated, as follows:

1. Rural

A rating unit will be allocated to the Rural Category for rating purposes if:-

- a) it is situated in a rural zone; and
- b) has an area of 30ha or more.

If the council is satisfied that:-

- a) the same ratepayer is recorded as owner of more than one rating unit; **and**
- b) all the rating units are situated in a rural zone; **and**
- c) are being used as one property principally for a farming activity; **and**
- d) the rating units have a combined total area of 30ha or more.

Then the rating units will all be allocated to this category for rating purposes.

2. Rural high value

A rating unit will be allocated to the Rural High Value Category for rating purposes if:

- a) it meets all the requirements for the Rural Category in (1) above; **and**
- b) has a capital value of \$1,475,000 or more; **and**
- c) contains a single dwelling only.

3. Utilities

Regardless of zoning and notwithstanding that it may meet the requirements for inclusion in another category, a rating unit will be allocated to the Utilities Category for rating purposes if:-

- a) it is owned or operated by a utility operator and is being used, principally, as part of the utility infrastructure; **and**
- b) it is identified as a utility in the Upper Hutt City District Valuation Roll.

4. Business

4.1 A rating unit in the Business zone or in the Special Activities zone will be allocated to the Business category for rating purposes, **unless:**

- a) it has been allocated to the Utilities category; **or**
- b) it has been allocated to the Standard category (or the Residential High Value or the Rural High Value category) because it is being used, principally, as a single residential dwelling (used principally for private residential purposes).

4.2 A rating unit will be allocated to the Business Category for rating purposes if it is situated in a Residential, Rural or Open Space zone and has not been allocated to the Utilities category but is being used, principally, for a business activity.

For the purposes of clause 4.2:

Funding impact statement

- a) where the business activity is the principal activity on a rating unit, the whole rating unit will be allocated to the Business category;
 - b) where the business activity is not the principal activity on a rating unit, but takes place in a physically discrete part of the rating unit, that part will be allocated to the Business category.
- 4.3 For the purposes of this definition:
- a) the following are **not** business activities:
 - Farming activities
 - Intensive animal farming
 - Forestry
 - Wellington Racing Club
 - b) business activities include the following:
 - Commercial sawmills and timber yards
 - Farm products processing plants
 - Retail nurseries and garden centres
 - Veterinary hospitals and clinics
 - Service Stations
- 4.4 A rating unit that is occupied by or for the purposes of a penal institution or as a defence area will be allocated to this category for rating purposes unless:
- a) it has been allocated to the Utilities category; **or**
 - b) it has been allocated to the Rural category; **or**
 - c) it is used principally as a single residential dwelling (used principally for private residential purposes); **or**
 - d) it is being used principally for a farming activity but does not satisfy the criteria for inclusion in the Rural category.

5. Residential high value

A rating unit will be allocated to the Residential High Value Category for rating purposes if it contains a single dwelling only and has a capital value of \$1,025,000 or more **and**:

- a) is situated in a residential zone; **or**
- b) is situated in a rural zone and has an area of less than 30ha; **or**
- c) is situated in any other zone, and has an area of less than 30ha and is being used, principally, for a residential activity.

6. Standard

A rating unit will be allocated to the Standard Category if it does not meet all of the criteria for inclusion in any other category.

Funding impact statement

FUNDING IMPACT STATEMENT – Rates Remission

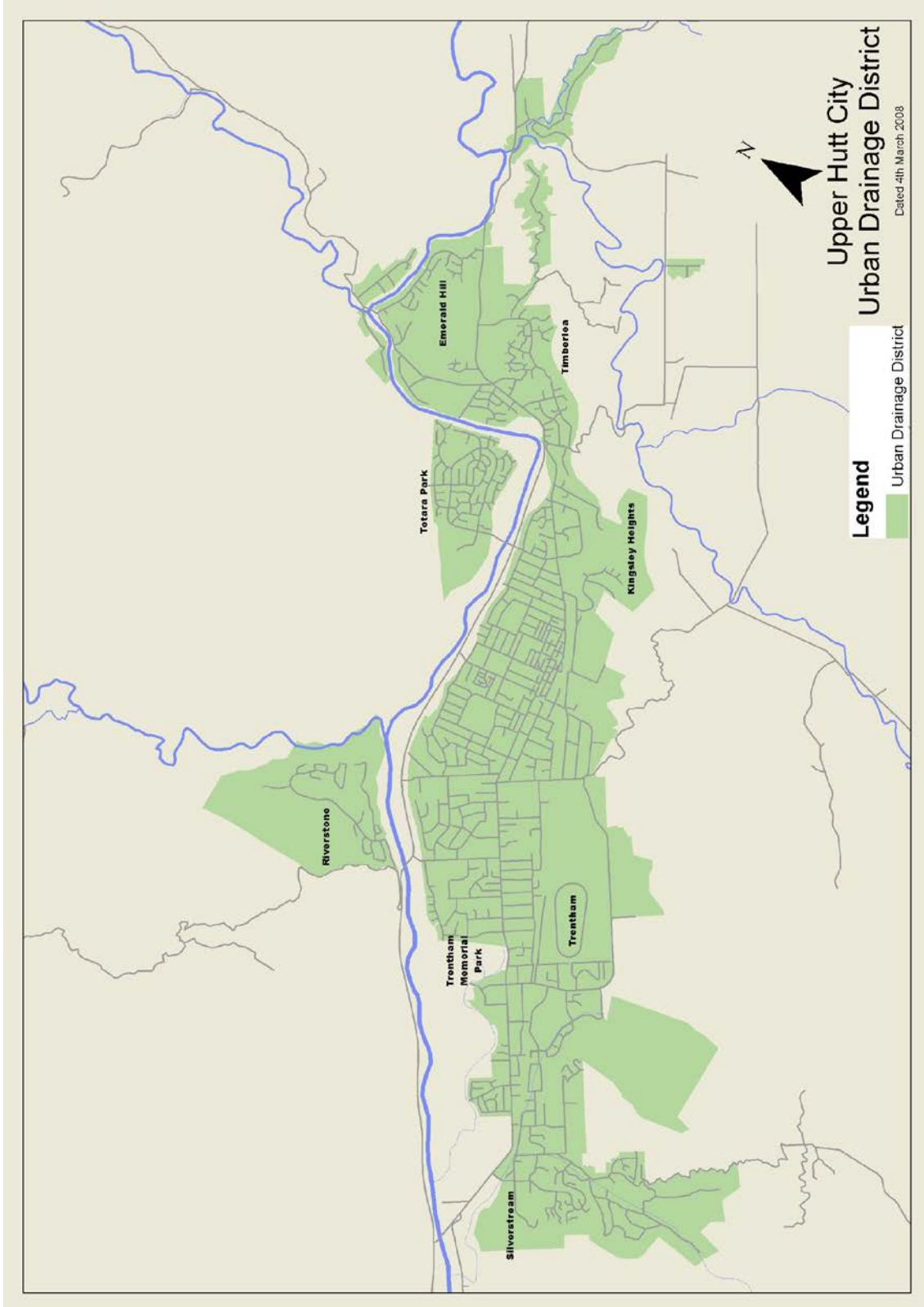
For 2011-2012 council has resolved to set the following criteria for its Rates Remission for Economic Development policy.

1. New Employment Opportunities – developments for which remission is being sought are expected to create at least **20** full time equivalent jobs.
2. New Capital Investment - developments for which remission is being sought are expected to bring at least **\$1,000,000** (GST exclusive) of new capital investment into the city.
3. The maximum number of rating years for which rates remission on sub-divisions will be granted is **two**.
4. A subdivision is a Subdivision under the Rates Remission for Economic Development – Subdivisions Policy IF :
 - a. Upper Hutt City Council has granted a Resource consent for it, and
 - b. It creates no less than **four additional** Lots, as defined by the Policy, and
 - c. No less than one Lot is defined as Bare Land in this Funding Impact Statement, and
5. Bare Land means any Lot that:
 - a. does not have a building on it, or
 - b. the building or buildings are constructed in satisfaction of a condition of the subdivision Resource Consent, or
 - c. there is an existing building and a condition of the subdivision Resource Consent requires that the building or buildings be demolished, removed or relocated or
 - d. the Lot is zoned residential under the District Plan and any building on the Lot is not a dwelling, or
 - e. The Lot is zoned other than residential under the District Plan and the building is not a permitted use for the Lot under the District Plan.
6. The number of Lots (X) a granted remission will apply to is determined by the formula :
 $X = N - A$, where:
 - a. N = total Lots of Subdivision
 - b. In the case that all Lots are Bare Land :
 A = the Lot with the highest valuation, or
 A = One of the Lots with the highest valuation when the highest valuation applies to more than one Lot, OR
 - c. In the case that one or more Lots are not Bare Land :
 A = all the Lots that are not Bare Land

“Separately Used or Inhabited Part” means any part of a rating unit used or inhabited by the ratepayer or any other person having a right to use or inhabit that part by virtue of a tenancy, lease, licence or other agreement. A “separately used or inhabited part” or SUIP is the basis by which Upper Hutt City Council calculates the uniform charges for each rating unit.

Funding impact statement

Upper Hutt urban drainage district map used for stormwater rates:



Indicative rates

INDICATIVE RATES – STANDARD	CV \$200,000	CV \$300,000	CV \$400,000	CV \$500,000	CV \$600,000
General rates	477	715	954	1,193	1,431
Water – uniform charge	238	238	238	238	238
Water - fire protection	48	72	96	120	144
Stormwater	93	140	187	233	280
Wastewater	385	385	385	385	385
Total indicative rates [Upper Hutt City]¹	1,241	1,550	1,860	2,169	2,478

INDICATIVE RATES – BUSINESS ²	CV \$500,000	CV \$700,000	CV \$900,000	CV \$1,000,000	CV \$1,200,000
General rates	3,160	4,424	5,688	6,320	7,584
Water – uniform charge	238	238	238	238	238
Water - fire protection	120	168	216	240	288
Stormwater	327	457	588	653	784
Wastewater	1,156	1,156	1,156	1,156	1,156
Total indicative rates [Upper Hutt City]¹	5,001	6,443	7,886	8,607	10,050

INDICATIVE RATES – RURAL	CV \$600,000	CV \$800,000	CV \$1,000,000	CV \$1,200,000	CV \$1,400,000
General rates	1,045	1,393	1,741	2,089	2,437
Total indicative rates [Upper Hutt City]¹	1,045	1,393	1,741	2,089	2,437

¹ Includes GST at the current rate of 15.0 percent but no Greater Wellington Regional Council Rates

² Includes one water connection and three pan charges

Elected members



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UPPER HUTT CITY
Council

Contact details
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Upper Hutt City - a great place to live

Council structure

