

UPPER HUTT CITY

# Annual Plan 2013 – 2014

1 JULY 2013 > 30 JUNE 2014







# Contents

<b>Introduction</b>	
A message from the Mayor	3
Summary	4
Financials summarised	11
Our vision	15
How to read this section	18
<b>Report on Council performance by activity</b>	
Leadership	19
Land Transport	23
Water supply	29
Wastewater	32
Stormwater	36
Rubbish and recycling	39
Planning and regulatory services	42
Community services	46
Facilities	50
Economic development	56
<b>Financials</b>	
<b>Financial statements</b>	
Accounting policies and assumptions	63
Prospective statement of comprehensive income	79
Prospective statement of financial position	80
Prospective statement of changes of equity	81
Prospective cashflow statement	82
Notes to the financial statements	83
Schedule of special funds	107
Performance ratios	108
Funding impact statement	109
Indicative rates	129
<b>Additional information</b>	
Elected members	131
Organisation chart	132
Council contact information	



# A message from the Mayor

Welcome to the residents of Upper Hutt. I am very proud to present our Annual Plan Summary for the 2013 –2014 year. This year, because nothing has significantly changed in the economic climate, we have been scrupulous when reviewing the budgets. We have made some hard decisions, reprioritising projects to ensure rates increases are as low as possible without deferring infrastructure maintenance or reducing levels of service. Your feedback is critical when it comes to making choices about delivering the right services to our residents at the right time.

Council's relationship with the community is always a key priority. We want to ensure you receive good value for money. A great deal of time is spent each year debating the delicate balance between the essential operational costs, and the cost of new projects to improve our city, while considering the impact it will ultimately have on our debt level and rates.

These projects are developed to enhance the livability of our city, making it a truly great place to live. They are also developed to better the visitor experience and to make doing business in Upper Hutt more attractive. Some of the projects due to start this year include the completion of the city centre upgrade, the Akatarawa Road safety upgrade, and the installation of city gateway signage, to name a few. In addition, following consultation on the draft Annual Plan, Council decided to not defer the following project - cycle/walkway along the stop bank from Moonshine Park to Poplar Grove – (even though there was no external funding available). Council listened to the public and instead chose to undertake this project by utilising Council's funding previously budgeted for the cycleway along the rail corridor, but unable to be undertaken due to lack of 55% of the funding required from NZTA. In response to submissions, Council will also not seal the Hutt River Trail as proposed.

A major development in the coming year will be the work undertaken as part of the Economic Development activity and our newly formed marketing team. Work will begin with a long term strategy aimed at increasing new business and residential investment while making Upper Hutt residents proud to call our city their home.

One of the most significant undertakings of Council this year will be to responsibly represent the wishes of our residents in the debate over local government reform. An unprecedented number of residents responded in the 2012 and 2013 regional governance surveys, with a clear majority opting for an enhanced status quo position with regards to the way local government is structured. Council will now be making an application to the Local Government Commission advocating for the enhanced status quo and opposing the region-wide super city application submitted by Greater Wellington Regional Council.

Your participation is very important in all consultation processes. Without it, we cannot fully meet your needs today, and in the future.

Your Council is committed to delivering on its promise to you. I thank you for helping us do so, by telling us what you think. Council, its officers and I look forward to working with you in the coming year.



Wayne Guppy  
**Mayor**

# Summary

## What is an Annual Plan?

An Annual Plan is the Council's budget for one financial year. It explains how the Council intends to finance the activities and services it provides during that year as directed by its Long Term Plan. It focuses on the adjustments the Council needs to make in light of the previous year's financial performance, updated financial figures, cost increases and inflation. The Council undertook a thorough consultation programme in 2011-12 for the development of the Long Term Plan 2012-22.

An Annual Plan supports the Council's Long Term Plan (LTP) by providing integrated decision making and coordination of the Council's resources. The LTP is produced every three years, with the first year of the LTP being Annual Plan year 1. A stand-alone Annual Plan is produced in the years when the LTP is not produced. This Annual Plan 2013-14, adopted at an Extraordinary Council Meeting held on 20 March 2013 sets out year 2 of the LTP, with what the Council plans to achieve in the financial year starting 1 July 2013.

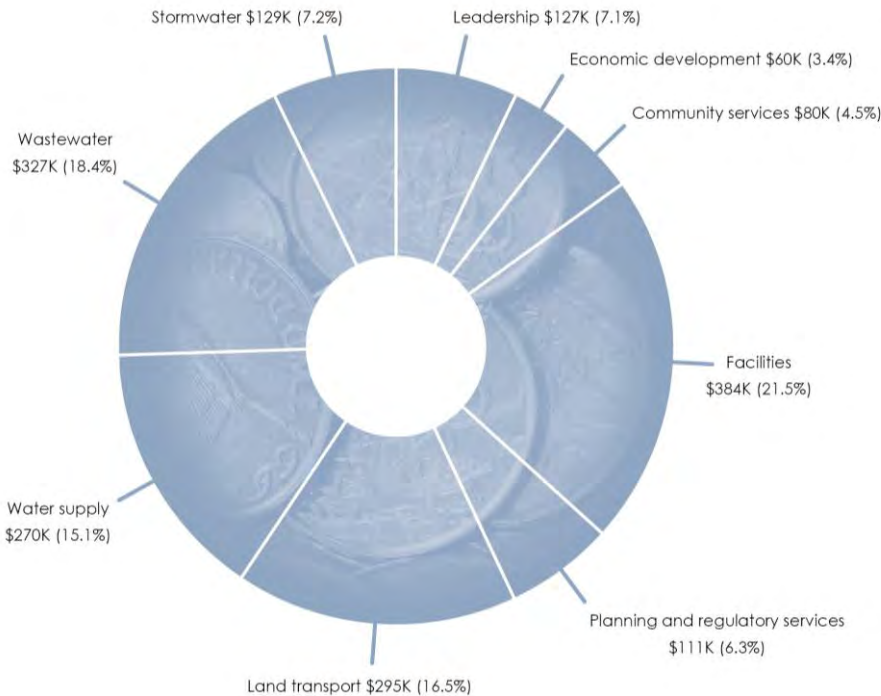
## How much will it cost?

### Rates increase

The increase in rates for 2013-14 is **3.83%** and allows for an estimated increase in the rating base of 1.00% due to city growth.

### Where does your rates money go?

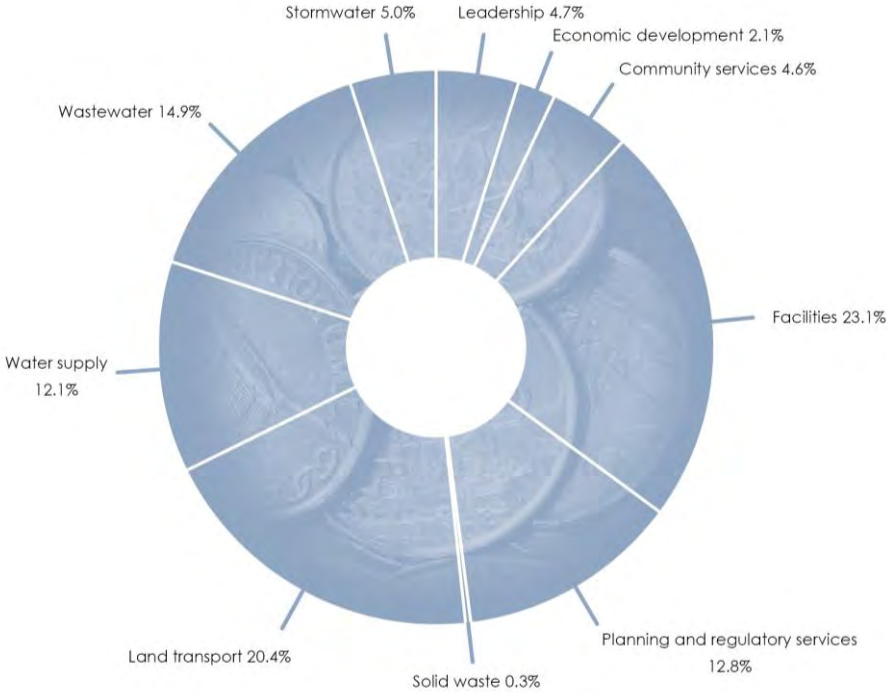
The average total residential rates for 2013 - 2014 will be \$1,783. This is broken down in more detail below.



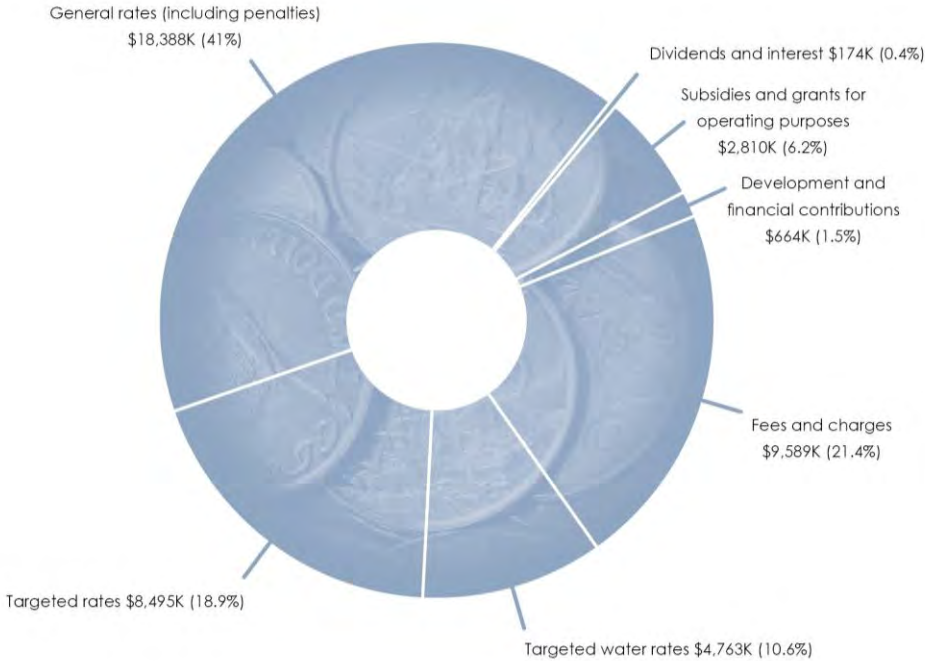
### Expenditure

The total council expenditure for 2013-14 is \$49.751 million (this excludes depreciation). Of this, capital expenditure (e.g. renewal of roading and water/drainage infrastructure) is estimated to cost \$9.938 million.

### Total Expenditure (excluding depreciation)



### Sources of operating funding

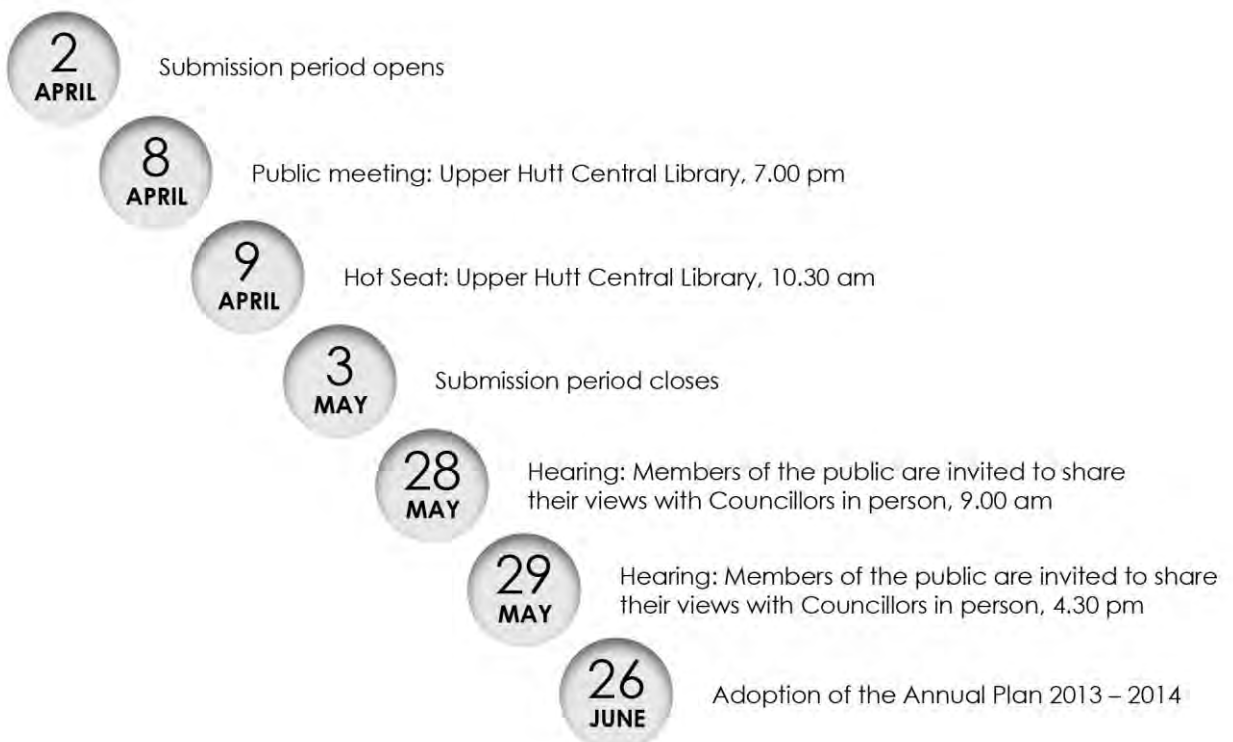


## Key projects



For more information on the above projects refer to each activity area within this plan and for further details on projects in other years refer to the Long Term Plan for 2012 – 2022.

## Key dates





## Financial impact for 2013-14

The total rate funding requirement for the activities and work programme for 2013-14 is \$31.444 million. This equates to an average rates increase of **3.83%** (including an adjustment for city growth). Examples of how this is likely to affect specific properties are shown in the table overleaf. 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% for the full year.

	<b>Residential CV \$333,000</b>	<b>Rural CV \$719,000</b>	<b>Business CV \$899,000</b>
<b>General rates</b>	868	1,368	6,209
<b>Targeted rates</b> (water, wastewater, stormwater)	915	No charge	*2,326
<b>Total rates (incl. GST)</b>	<b>\$1,783</b>	<b>\$1,368</b>	<b>\$8,535</b>

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

## Key financial and project adjustments from the Long Term Plan 2012-2022

The Long Term Plan (LTP) originally forecast a net debt of \$28.968 million and a rates requirement increase of 5.07%. The Council is now proposing that the net debt as at 30 June 2014 will be \$27,962 million and the rates requirement increase will be **3.83%**. The interest Upper Hutt City Council is currently paying on debt is \$1.483 million per annum.

In comparison to the Long Term Plan Year 2 forecast there is a \$371,000 decrease in the rate funding requirement and a \$69,000 decrease in interest expenses.

There are a range of adjustments from the LTP projected expenditure levels but these are minor and are primarily due to changes in prices, priorities and/or allocation of particular staff and projects.

As with all local authorities in New Zealand the Council's insurance cover has been significantly impacted by the Christchurch earthquakes. The impact for 2013-2014 has been estimated and included in the Annual Plan but will not be finalised much before 30 June 2013.

## Amended/deferred projects from the Long Term Plan

Of utmost importance to Council is that all of the city's assets are maintained to a high standard and our residents continue to receive and enjoy all of the services that have previously been provided. Yet, Council would also like to provide new projects, whilst remaining prudent, but this year it has been especially hard as a result of the minimal change to the economic climate. Consequently, Council has had to make some hard choices and has had to reprioritise, remove and defer projects in order to keep rates low.

### The following projects have been deferred:

- **Enhance cycle and walkway – rail corridor** \$671,414 in 2013-14

This project was to develop a cycle and walking path from Field Street, Silverstream to Blenheim Street, in the city centre, which would run alongside the railway line, in the railway corridor. This project was dependant on external funding being received from NZTA and this is now not expected to occur.

Following public consultation, Council chose to utilise the funding budgeted for the rail corridor cycleway to enable the sealed cycle/walkway along the stop bank from Moonshine Park to Poplar Grove to be developed. This funding would make up for the 55% of the funding not available from NZTA. Consequently, in order for Council to proceed with the railway corridor cycleway at a later date they will have to provide additional funding for the project.

- **New enhanced public space – Lion Court** \$160,363 in 2013-14

The aim of this project was to visually improve the appearance of the area, make it more pedestrian friendly and increase its vitality.

- **Comprehensive road safety review of city** \$51,730 in 2013-14

This project included a complete review of the city's roading network from a safety perspective to ensure that there are no glaring gaps, and to assist in ensuring that the network is being maintained in a safe, efficient and effective manner.

- **Heritage trail – throughout Upper Hutt** \$25,000 in 2013-14

This project covered the coordination and promotion of a 'heritage trail' throughout Upper Hutt that recognises the rich tapestry of Upper Hutt's heritage, culture, and other areas of interest.

- **City centre and precinct visions and promotion** \$9,311 in 2013-14

This project involved the development, and clear communication of, authoritative information about specialisations and business cluster locations to enable future compatible land use planning and the identification of support services that could be attracted to the area.

- **Opportunities profile and business outreach programme** \$11,381 in 2013-14

This project involved the development of indicative designs or other incentives to profile and promote key development opportunities.

Due to other commitments, NZTA are not funding the below projects again this year. They were initially deferred from the 2012 – 2013 year and have been deferred again for the 2013-14 year.

- Totara Park Bridge seismic strengthening - \$346,000.

### The following project has been removed:

- **Eastern Hutt rail bridge clearance \$827,680 in 2013-14**

The intention of this project was to raise the bridge to enable the development of the land within Upper Hutt immediately south of the bridge. It would also allow a greater number of vehicles to use this road, whilst increasing safety and reducing the number of times it is hit by high loads. This project has been removed following confirmation that a private developer will cover the cost of this project.

## Rate funding adjustments

Key changes in activity rate funding include:

- H<sup>2</sup>O Xstream – a decrease of \$116,000 has occurred, due to the new pool UV treatment system now being loan funded, and an increase in expected fees and charges revenue.
- Library – a decrease of \$158,000 has occurred, mainly due to existing loan repayments now being paid from special funds.
- Leadership – a reduction of \$205,000. This is entirely a reduction in the allocation of support costs primarily driven by the re-assignment of some staff within the Policy and Reporting team to the Marketing and Communications team, within the Economic Development activity.
- Economic Development – an increase of \$125,000 has occurred, mainly due to the re-assignment of staff as noted above.
- Land transport – an increase of \$68,000 has occurred. The major component is a reduction in income from NZTA due to them not funding the full programme.

There have been smaller changes up and down in all other activities all of less than \$100,000.

## Changes to the fees and charges

Key changes to the Schedule of Fees and Charges for 2013-14 (circulated as a separate document) are:

- All **Akatarawa Cemetery** fees have increased by 7.5% to cover the operational costs of the cemetery.
- The cancellation fee for a **LIM or Building Consent** has been removed as the service is no longer required.
- All **food premises licences**, and eating house licences have increased to recover the actual process costs involved when issuing these licences.
- To allow for the increased officer time required to process complicated gaming venue applications, the cost of a **Class 4 Venue Licence**, and New Zealand Racing Board (including TAB) Venues Licence, has increased.

## SUMMARY

- A few minor changes have occurred in the **H<sup>2</sup>O Xtream** charges. The group discount for slides has decreased from \$3.10 to \$3.00 per person, the 10 trip pass for the seniors hydrobics has increased to account for the addition of the class instructor, and the Defence Force and Police 10 trip pass has increased to bring the cost in line with the corporate rate for 10 trip passes. The addition of Women's Only Swim Night single pass \$4.00 and 10 trip pass \$30.00. Further text has been included under Additional Charges to explain that seasonal programmes and activities may attract charges.
- Closure of the **H<sup>2</sup>O Xtream Café** during a private function is now built into the hire of the pool facility, eg hireage of the full facility with café open \$450.00 per hour, with café closed it is \$550.00 per hour. The previous cost was \$500.00.
- Minor increases in **land transport** administration fees are due to operational costs and/or a contract rate.
- A3 colour photocopying at the **Library** has reduced from \$2.00 per copy to \$1.00.
- All **Parks and Reserves** fees have increased by 10% (rounded to the nearest 50 cents) as a result of a new contract. A new fee of \$20.00 for organised and booked picnics, within exclusive areas of the parks.
- **Resource management - Subdivision** – A new subsection has been added to clarify that an additional fee will be incurred when a land use consent is submitted in combination with a subdivision consent. The total fee will be a deposit of \$640.00 (subdivision fee) plus a deposit of \$440.00 (land use fee).
- **Trade waste user charges** have increased due to increased insurance costs, revaluation of the network and a reduction in the loads at the Waste Water Treatment plant (fewer sites to share the costs between).
- All **water supply** increases are a result of a rise in the City Care Maintenance contract and the bulk water levy from Greater Wellington Regional Council (GWRC).
- Application deposits for changes or variations to the **District Plan** will increase from \$2,000.00 to \$5,000.00 to more accurately reflect the actual costs of dealing with such applications.

## A - Rate funding requirement for each significant activity

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Leadership	2,182	2,448	2,243	(205)
Land transport	4,808	5,132	5,200	68
Water supply	4,337	4,762	4,763	1
Wastewater	6,158	6,270	6,221	(49)
Stormwater	2,180	2,284	2,272	(12)
Rubbish and recycling	(332)	(506)	(443)	63
<b>Planning and Regulatory Services</b>				
- City planning	1,103	1,259	1,262	3
- Building and Compliance Services	409	778	705	(73)
<b>Community Services</b>				
- Community development	586	641	602	(39)
- Activation	204	213	241	28
- Emergency management	572	606	560	(46)
<b>Facilities</b>				
- Parks and reserves	2,208	2,217	2,253	36
- H <sup>2</sup> O Xtream	1,419	1,527	1,411	(116)
- Library	2,393	2,415	2,257	(158)
- Expressions	861	818	803	(15)
- Property	26	18	23	5
- Akatarawa Cemetery	(17)	(17)	(4)	13
- Support services	27	25	25	0
Economic development	870	925	1,050	125
<b>Total rate funding requirement</b>	<b>29,994</b>	<b>31,815</b>	<b>31,444</b>	<b>(371)</b>
Change in rate funding requirement	5.18%	6.07%	4.83%	-1.24%
Forecast growth in the rating database	1.00%	1.00%	1.00%	0.00%
<b>Forecast in net change in rate funding requirement</b>	<b>4.18%</b>	<b>5.07%</b>	<b>3.83%</b>	<b>-1.24%</b>
Forecast Inflation	0.00%	3.46%	0.00%	-3.46%
<b>Forecast real change in rates funding requirement</b>	<b>4.18%</b>	<b>1.61%</b>	<b>3.83%</b>	<b>2.22%</b>
<b>Funded by</b>				
Accumulated general fund	0	0	0	0
Rates	29,994	31,815	31,444	(371)
<b>Total</b>	<b>29,994</b>	<b>31,815</b>	<b>31,444</b>	<b>(371)</b>

**B - Rates**

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
General rates	17,266	18,392	18,188	(204)
Regional amenity rate	53	106	0	(106)
Targeted rates water fire protection	1,069	1,161	1,156	(5)
Targeted rates water supply	3,268	3,601	3,607	6
Targeted rates stormwater	2,180	2,284	2,272	(12)
Targeted rates wastewater	6,158	6,270	6,221	(49)
<b>Rates total</b>	<b>29,994</b>	<b>31,814</b>	<b>31,444</b>	<b>(370)</b>
Targeted rate Karapoti bridge	2	2	2	0
Rates penalties	232	240	200	(40)
<b>Total rates income</b>	<b>30,228</b>	<b>32,056</b>	<b>31,646</b>	<b>(410)</b>

## C - Public debt

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening balance	25,513	24,972	24,923	(49)
Loans raised during the year	1,272	5,150	5,342	192
Less repayments during the year	(1,813)	(1,154)	(2,303)	(1,149)
<b>Total public debt</b>	<b>24,972</b>	<b>28,968</b>	<b>27,962</b>	<b>(1,006)</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

**New loans consist of:**

Land transport	434	2,042	1,801	(241)
Water Supply	103	76	0	(76)
Wastewater	0	704	533	(171)
Parks and reserves	287	328	270	(58)
Emergency management	350	0	350	350
Building and compliance services	0	2,000	2,300	300
Strategic planning and policy	98	0	0	0
H <sup>2</sup> O Xstream	0	0	88	88
<b>Total new loans</b>	<b>1,272</b>	<b>5,150</b>	<b>5,342</b>	<b>192</b>
<b>Interest expenses</b>	<b>1,459</b>	<b>1,552</b>	<b>1,483</b>	<b>(69)</b>

**D - Restricted reserve funds**

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Special funds	1,083	1,707	1,546	(161)
Other accounts restricted by law	585	474	2,233	1,759
<b>Total restricted reserves</b>	<b>1,668</b>	<b>2,181</b>	<b>3,779</b>	<b>1,598</b>

**E - Comparison of key indicators**

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Rate funding requirement	29,994	31,814	31,444	(370)
Public debt	24,972	28,968	27,962	(1,006)
Restricted reserves	1,668	2,181	3,779	1,598



# Our vision

## Measuring our vision/outcomes

Our vision statements provide the city and Council with an image of success. They inform and guide the Long Term Plan, including the projects within it and the subsequent Annual Plan. The vision is embodied through services, initiatives and projects in Council's ten major activity areas. These activity areas are monitored by performance measures and the Leadership activity includes an overarching performance target, which reports on whether or not Council is meeting the majority of all targets within the Plan.

## Our Vision

*We're immersed in scenic beauty, we love our river, and we feel alive in our great outdoors.*

*We celebrate our heritage and culture, and we thrive through our diversity.*

*Our businesses, our city centre, and our educational facilities will continue to grow.*

*We connect with our neighbours in the greater Wellington Region and we love our upper valley.*

*We're families, we're friends, we're a caring community.*

**We're Upper Hutt. Welcome.**

## Our environment



We're blessed with beautiful surrounds and seasons that are colourful and changeable.

Our families enjoy our community parks and modern facilities, and teams compete on our sports grounds.

Our clean river, our bio-diverse bush, and our majestic regional parks attract tourists, events, and business.

***We're Upper Hutt. We're a scenic playground.***

**FUTURE PROOFING:** Actively encourage waste minimisation and water conservation.

Ensure residential growth minimises environmental impact.

Strongly promote outdoor recreation opportunities.

## Our community



We're proud of our heroes, our success stories, and our uniqueness.

We celebrate our heritage and culture, and we thrive through our diversity.

We're a caring and connected community that is safe, healthy, and enjoys quality wellbeing for all ages.

***We're Upper Hutt. We're family.***

**FUTURE PROOFING:** Improve access to support services and community facilities.

Dedicated focus on community safety and intolerance of graffiti.

Strongly promote local identity and heritage.

## Our city centre



Our city centre is an expression of our identity and our heart; it's where locals meet, where many of us do business, where we shop, and where we celebrate.

We loyally support the range of busy stores within our city.

Visitors stop in to enjoy our unique style, our attractions, our stores, as well as our special green spaces within the city.

***We're Upper Hutt. We're a gateway to the great outdoors.***

**FUTURE PROOFING:** Create and improve unique public spaces and attractions.  
Celebrate culture and history in the city.  
Improve access and signage into city centre.

## Our economy



Our local businesses, our city centre, and our educational facilities develop and prosper.

We attract new business investment and clean industries with sustainable, high-growth capability.

Our educational and cultural facilities, together with our leisure opportunities attract employers and employees.

Many of our people enjoy working locally and shopping locally.

***We're Upper Hutt. We're ready to grow.***

**FUTURE PROOFING:** Target and attract new business and employers.  
Manage industrial land for future potential.  
Market Upper Hutt's brand and assets effectively.

## Our transport



We move easily and efficiently around our city and along our streets and country roads.

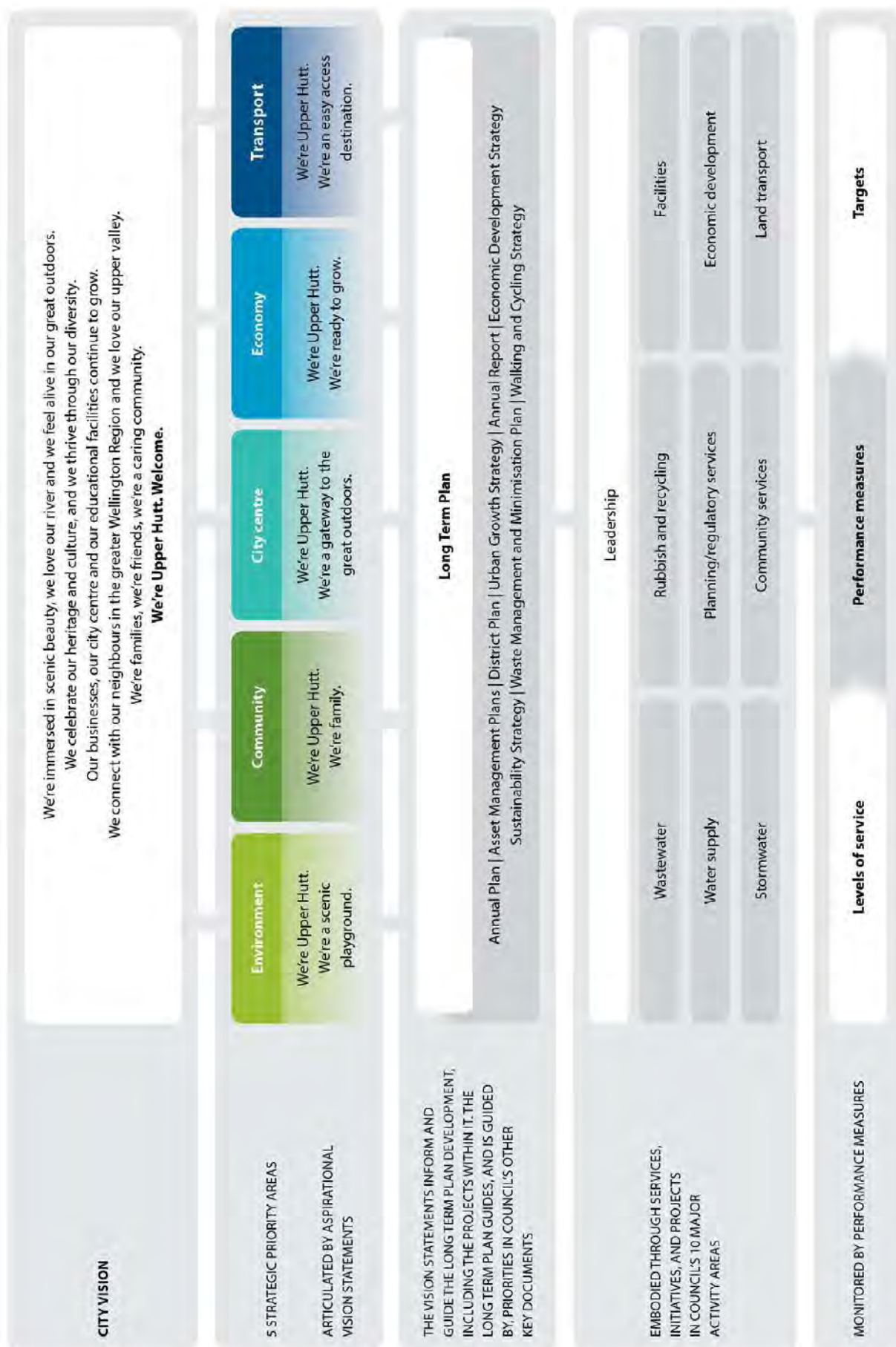
Our rail, bus, and road transport networks provide residents and visitors with easy access connections between our CBD and neighbouring cities.

We're cycle and pedestrian friendly, and parking is never a problem.

***We're Upper Hutt. We're an easy access destination.***

**FUTURE PROOFING:** Ensure vehicle and pedestrian traffic in Main Street flows freely.  
Promote the city centre to State Highway 2 motorists.  
Encourage and promote sustainable commuter and recreational transport, including walking, cycling, trains, and buses.

# From the vision to performance management—the framework



# How to read this section

## How to read this section

In this section, Council has grouped its activities under ten activity areas. Within each different area, the activities are covered in more detail under the following headings:

### **What does this activity do?**

#### **Key projects**

Under these headings, each of Council's different activities are explained, including why Council is involved in each area. More detailed information can be found in the Long Term Plan 2012–22.

### **Level of service objectives and performance measures**

This section identifies what Council aims to achieve by delivering the service, together with the performance measures and targets.

### **Works programme**

The works programme identifies expenditure on asset management, capital works and projects. It also shows how the work will be funded.

### **Cost of services statement**

This section identifies the budget and funding requirements for the activity, including the amount of general rates required to undertake the service, the operating costs of the service, and if the activity has any loans raised against it.

---

## **Link to Council's Long Term Plan**

The Annual Plan is based on year 2 of the Council's Long Term Plan for 2012-22.

A more detailed analysis of Council activities, covering the ten years to 30 June 2022, can be found in the LTP. In particular, the LTP covers the following additional matters for each activity:

- why Council is involved in each activity;
- any key issues and responses by Council, which covers how Council intends to manage each activity;
- an identification of any significant negative effects (if any) arising from providing the activity;
- works programmes and funding sources for the full ten year period to 30 June 2022; and
- ten year financial forecasts, which outline the funding requirements for the activity over the ten year life of the LTP.

# Leadership

## What does this activity do?

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, community consultation, monitoring and reporting on progress.

## Key projects



### Sustainability Strategy

\$41,568 in 2013 – 2014

The sustainability strategy includes projects and initiatives such as river restoration, community/schools education and action projects, reducing the city's energy costs, and supporting home eco-design advice for our community.



### Regional Amenities Fund

\$106,000 in 2013 – 2014

The councils in the Wellington region, including Upper Hutt City Council, contribute to a Regional Amenities Fund (the Fund). The Fund is intended as a 'top up' funding mechanism and to support new innovative projects, for entities that provide regional benefits primarily in the arts, culture, environmental attraction, and events sectors.

As part of the Regional Amenities Funding, a contribution of \$50,000 has been made to the New Zealand Symphony Orchestra to support a 2014 ANZAC Eve concert, to commemorate in the first year of WW100.

An art concept drawing by Tali Morehu from the Upper Hutt Art Society depicting the 'Now Granddad' statue will be represented on 41 street flags that will be flown on city lamp posts two weeks prior and the week following ANZAC Day. The flags will also be used for the 2014-15 ANZAC parades. The 41 flags represent the 41 Upper Hutt soldiers that died during battle. It is intended that the flags will then be presented to a family representative from each of the fallen 41 soldiers at an official Mayoral function that will include New Zealand Defence Force and RSA personnel.



Government Act, particularly in respect of streamlining reorganisation procedures, has provided the context and impetus for the Wellington region to review its current government arrangements. Upper Hutt City Council undertook consultation in mid-2012 to understand what our community wanted. The majority of Upper Hutt residents wanted our structure to stay the same, with many also wanting to increase shared services across the region. However, we are aware of alternative structural proposals for change, which will be submitted from others outside of Upper Hutt.

After a proposal is lodged with the Local Government Commission, the Commission then decides on its preferred option to present for public consultation. Following that - if the Commission decides to issue a final proposal, then a poll on the proposal may be requested, via a petition representing 10% of the voters in one of the affected areas.

If a petition is successful then any significant change in the Wellington region will require a majority of voters to vote in favour of change, otherwise the status quo will remain.

### Local government reform

The New Zealand Government's decision to establish a super city in the Auckland region, and the recent significant amendments to the Local

## Level of service objectives and performance measures

### Objective

Ensure that the community is well informed of relevant Council actions, activities and progress through a wide range of media including newspapers, radio, Council publications and our website.

Performance measure	Target 2013-14
Community satisfaction with the provision of information by Council <sup>1</sup>	90% of respondents rate Council's provision of information as satisfactory or better
Council is meeting the majority of its 32 performance targets at years end	80% of all performance targets are met at years end

<sup>1</sup> Annual Community Survey

## Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Project</b>				
Sustainability Strategy <sup>1</sup>	0	42	42	Rates
<b>Total Leadership works programme</b>	<b>0</b>	<b>42</b>	<b>42</b>	

<sup>1</sup> Under the LTP 2012-2022 this project (\$66,000) was in Facilities under Support Services. It has been broken into two parts, \$42,000 has been transferred to Leadership as a project and the balance of \$24,000 has been allocated to staff costs under the personnel costs in Facilities.

### Contributions to decision making processes by Maori

The Council has a long standing relationship with Orongomai Marae that is designed to provide opportunities for Maori to contribute to the decision making of the Council and to contribute to the spirit and values of the Council. In particular, the following are in place:

- His Worship the Mayor is a trustee of the Orongomai Marae Community Centre
- His Worship the Mayor and the Chief Executive meet multiple times a year with representatives of the Orongomai Management Committee to discuss issues of mutual interest
- Orongomai Marae are invited to participate in all Council consultation processes
- Council assists with the promotion of Orongomai Marae's Waitangi Day celebrations
- Orongomai Marae is regularly used as a venue for community groups
- Kaumatua from Orongomai Marae participate in public ceremonies and the opening of Council facilities.

Orongomai is a community marae and as such does not represent tangata whenua for Upper Hutt. For this reason, the Council also consults with Te Runanganui o Taranaki Whanui ki te Upoko o te Ika a Maui and the Wellington Tenth Trust in relation to issues relating to land, water or air.

## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	2,129	2,342	2,243	(99)
Regional amenity rate	53	106	0	(106)
Operating income	45	120	102	(18)
<b>Total operating revenue</b>	<b>2,227</b>	<b>2,568</b>	<b>2,345</b>	<b>(223)</b>
Operating costs	2,217	2,560	2,347	(213)
Interest	0	0	0	0
Depreciation	0	0	0	0
<b>Total operating costs</b>	<b>2,217</b>	<b>2,560</b>	<b>2,347</b>	<b>(213)</b>
<b>Operating surplus/ (deficit)</b>	<b>10</b>	<b>8</b>	<b>(2)</b>	<b>(10)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	(10)	(8)	2	10
Transfer to funds	0	0	0	0
<b>Total funding required</b>	<b>(10)</b>	<b>(8)</b>	<b>2</b>	<b>10</b>
Funding for depreciation and other non-cash items	(10)	(8)	2	10
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>(10)</b>	<b>(8)</b>	<b>2</b>	<b>10</b>



# Land Transport

## What does this activity do?

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.

## Key projects



### City gateway signage

\$310,380 in 2013 – 2014,  
approximately \$413,000 in following 8 years

This initiative is to clearly identify access routes from the State Highway, for example Gibbons Street intersection. It will include a series of gateway signs and/or sculptures at key locations in order to welcome and attract visitors to Upper Hutt.



### Revitalisation of Upper Hutt's city centre

\$645,171 in 2013 – 2014,  
approximately \$681,000 in 2014 – 2015

This project will complete the city centre Main Street upgrade to street furniture work that began in 2010 starting with the north end of Main Street (from Logan Street to King Street) and finishing with the south end of Main Street (from Pine Avenue to Fergusson Drive). Upgrades will also occur on side streets such as Geange and Russell Street. The work will be completed over the next two years.



### Akatarawa Road safety upgrade

\$608,345 in 2013 – 2014 (project was carried over from Long Term Plan 2009 – 2019)

The road is narrow and winding in parts and there are significant areas where the sight distances and alignment are less than ideal. This project will focus on these 'less than ideal' areas to improve the safety for the road users. However, whilst this upgrade will address road safety, it is not a full upgrade to two lanes. This project has not been funded by NZTA.



**General roading maintenance**

approximately \$1.7 million in 2013 – 2014

This includes work on road seals, kerb and channel construction, road marking and road signage.



**Cycle/walkway along the stop bank from Moonshine Park to Poplar Grove**

\$577,720 in 2013 – 14

This project will see the development of a sealed cycle/walkway along the river stop bank from Moonshine Park to Poplar Grove. This 2.6m wide path will enable those utilising the Hutt River Trail to have a direct sealed connection between Moonshine Road and the city centre, whilst also providing commuter access to a number of Upper Hutt schools.

## Level of service objectives and performance measures

### Objectives

- Council will provide a safe roading network
- Council will provide a well-lit, clean, convenient and safe service that compliments the roading network in regards to city centre parking, pedestrians and cyclists.

Performance measure	Target 2013 – 2014
1. Average <b>smoothness of all city roads</b> <sup>2</sup>	Less than or equal to 120 NAASRA* counts
2. Community satisfaction with the <b>street lighting</b> throughout the city <sup>1</sup>	90% of respondents rate street lighting as satisfactory or better
3. Community satisfaction with the <b>cleanliness</b> of the city's streets <sup>1</sup>	90% of respondents rate street cleanliness as satisfactory or better
4. Assessment <b>of footpath conditions</b> to mitigate dangerous surface conditions developing <sup>3</sup>	90% of all footpaths are rated as having a defects value of 29 or less

\*NAASRA 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.

<sup>1</sup> Annual Community Survey.

<sup>2</sup> In-house monitoring using, data received from the Road Asset Maintenance Management System contract.

<sup>3</sup> Rating 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.

## Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Asset management – to replace existing assets</b>				
Street drainage	298	298	0	Rates/Land Transport New Zealand (LTNZ)
Resealing	1,226	1,226	0	Rates/LTNZ
Road marking and signage	270	263	(7)	Rates/LTNZ
Lighting	128	128	0	Rates/LTNZ
Minor safety	211	219	8	Rates/LTNZ
Footpaths	408	408	0	Rates
Carparks and bus shelters	17	17	0	Rates
Litter bin replacement	4	4	0	Rates
Structures component replacement	0	15	15	Rates/LTNZ
Miscellaneous work	25	25	0	Rates
<b>Capital works – to improve level of service</b>				
Enhance cycle and walkway linkages – Hutt River Trail extension on stopbank	0	578	578	Loans
Enhance cycle and walkway – rail corridor	671	0	(671)	Loans/LTNZ
Revitalisation of Upper Hutt's city centre	645	645	0	Loan
Eastern Hutt rail bridge clearance	828	0	(828)	Loan
Akatarawa Road safety upgrade	608	608	0	Loans/LTNZ
Comprehensive road safety review of city	52	0	(52)	Rates
City gateway signage	310	310	0	Loan
New enhanced public space – Lion Court	160	0	(160)	Loan
<b>Total land transport works programme</b>	<b>5,861</b>	<b>4,744</b>	<b>(1,117)</b>	

**Approved carryover projects from previous years budgets**

<b>Projects</b>	<b>Budget (\$ 000)</b>	<b>Funded by</b>
<b>Project</b>		
Blue Mountains Road upgrade	24	Special funds
Road safety	40	Rates/Land Transport New Zealand
<b>Total</b>	<b>64</b>	

## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	4,808	5,132	5,200	68
Operating income	4,100	4,844	3,873	(971)
<b>Total operating revenue</b>	<b>8,908</b>	<b>9,976</b>	<b>9,073</b>	<b>(903)</b>
Operating costs	3,999	4,310	4,319	9
Interest	330	379	362	(17)
Depreciation	4,070	4,189	4,120	(69)
<b>Total operating costs</b>	<b>8,399</b>	<b>8,878</b>	<b>8,801</b>	<b>(77)</b>
<b>Operating surplus/ (deficit)</b>	<b>509</b>	<b>1,098</b>	<b>272</b>	<b>(826)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	3,690	5,861	4,744	(1,117)
Loans repayments	354	374	353	(21)
Operating (surplus)/ deficit	(509)	(1,098)	(272)	826
Transfer to funds	332	354	354	0
<b>Total funding required</b>	<b>3,867</b>	<b>5,491</b>	<b>5,179</b>	<b>(312)</b>
Funding for depreciation and other non-cash items	3,334	3,448	3,378	(70)
Loans raised	435	2,043	1,801	(242)
Transfer from funds	98	0	0	0
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>3,867</b>	<b>5,491</b>	<b>5,179</b>	<b>(312)</b>

# Water supply

## What does this activity do?

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.

## Key projects



### Pipeline renewal

\$827,163 in 2013 – 2014,  
approximately \$10,308,000 over the following  
8 years

Pipes that are due for replacement are investigated prior to finalising the work programme each year and work is prioritised accordingly.



### Pressure management

\$82,768 in 2013 – 2014

Maintaining an optimum water pressure throughout the network, meeting the demand and protecting the condition, helps reduce the number of leaks and water loss through pipe bursts. Subject to the demand and condition, identifying new water pressure zones and installing pressure regulators/reducers, are part of a pressure management investigation and implementation programme.

## Level of service objective and performance measures

### Objective

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

Performance measure	Target 2013-14
Compliance with NZ drinking water standard <sup>2</sup>	Maintain A1a grading
Community satisfaction with water supply service <sup>1</sup>	95% of respondents are satisfied or very satisfied
Interruptions to the water supply <sup>3</sup>	97% of individual consumers who experience unplanned water disruptions have the service restored within two hours

<sup>1</sup> Annual Community Survey

<sup>2</sup> Ministry of Health Rating

<sup>3</sup> In-house monitoring of maintenance contract

### Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Asset management – to replace existing assets</b>				
Pipeline renewal	827	827	0	Targeted rates
Miscellaneous works	104	104	0	Targeted rates
<b>Capital works – to improve the level of service</b>				
Pressure management	166	83	(83)	Restricted reserve water rate account
<b>Total water supply works programme</b>	<b>1,097</b>	<b>1,014</b>	<b>(83)</b>	



## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	4,337	4,762	4,763	1
Operating income	1,439	1,480	1,449	(31)
<b>Total operating revenue</b>	<b>5,776</b>	<b>6,242</b>	<b>6,212</b>	<b>(30)</b>
Operating costs	4,639	4,908	4,920	12
Interest	40	36	34	(2)
Depreciation	1,367	1,420	1,570	150
<b>Total operating costs</b>	<b>6,046</b>	<b>6,364</b>	<b>6,524</b>	<b>160</b>
<b>Operating surplus/ (deficit)</b>	<b>(270)</b>	<b>(122)</b>	<b>(312)</b>	<b>(190)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	963	1,097	1,014	(83)
Loans repayments	75	71	71	0
Operating (surplus)/ deficit	270	122	312	190
Transfer to funds	0	0	0	0
<b>Total funding required</b>	<b>1,308</b>	<b>1,290</b>	<b>1,397</b>	<b>107</b>
Funding for depreciation and other non-cash items	1,115	1,124	1,297	173
Loans raised	103	76	0	(76)
Transfer from funds	90	90	100	10
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>1,308</b>	<b>1,290</b>	<b>1,397</b>	<b>107</b>

# Wastewater

## What does this activity do?

The wastewater system covers 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.

## Key projects



### Pipeline renewal upgrade

\$1,267,081 in 2013 – 2014,  
approximately \$11,155,000 over the following  
8 years

The renewal/replacement programme is set out in the Wastewater Asset Management Plan, and is based on the current state of knowledge of the system. This is updated with new information on the condition and capacity of pipes arising from regular monitoring and ongoing repair work.



### Wastewater project capital

\$533,018 in 2013 – 2014,  
approximately \$19,831,000 over the following  
8 years

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

This is a joint project with Hutt City Council for the treatment of wastewater from the Hutt Valley. Hutt City Council has administrative responsibility.

## Level of service objectives and performance measures

### Objective

Our wastewater system will continue to be well maintained, safe and allow for growth.

Performance measure	Target 2013-14
Minimise interruptions to the ability to use the wastewater system <sup>1</sup>	95% of properties connected to the wastewater system who are unable to dispose of wastewater due to unplanned interruption will have their service restored within six hours
Minimise number of blockages on Council mains <sup>2</sup>	Less than two blockages* reported per kilometre of pipeline

<sup>1</sup> In-house monitoring of UTCE contract

<sup>2</sup> In-house response to customer service requests

\*The above measures are used to report against the safety of the system because if blockages occur, then it is likely a surcharge will flow onto the adjacent ground, which creates a health hazard. This is also the case for private properties that cannot discharge to the sewer network. Hence, both systems are monitored.

## Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Asset management – to replace existing assets</b>				
Pipeline renewal upgrade	1,267	1,267	0	Targeted rates
Miscellaneous works	8	8	0	Targeted rates
<b>Capital works – to improve the level of service</b>				
Wastewater project capital <sup>1</sup>	704	533	(171)	Loans
<b>Total wastewater works programme</b>	<b>1,979</b>	<b>1,808</b>	<b>(171)</b>	

<sup>1</sup> The wastewater project represents an increase to the level of service as it includes new capital works that, if not provided, may hinder services currently provided to the customer. A performance measure in respect of this project is not provided because it is a joint project with Hutt City Council, it is not located within Upper Hutt, nor owned by Upper Hutt City Council, and hence it is not totally within our control.

## Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Funded by
<b>Project</b>		
Wastewater HVTWS Capital	90	Targeted Rate Account
<b>Total</b>	<b>90</b>	

## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	6,158	6,270	6,221	(49)
Operating income	775	783	785	2
<b>Total operating revenue</b>	<b>6,933</b>	<b>7,053</b>	<b>7,006</b>	<b>(47)</b>
Operating costs	4,728	4,767	4,657	(110)
Interest	748	758	753	(5)
Depreciation	3,198	3,250	3,217	(33)
<b>Total operating costs</b>	<b>8,674</b>	<b>8,775</b>	<b>8,627</b>	<b>(148)</b>
<b>Operating surplus/ (deficit)</b>	<b>(1,741)</b>	<b>(1,722)</b>	<b>(1,621)</b>	<b>101</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	1,880	1,979	1,808	(171)
Loans repayments	175	183	183	0
Operating (surplus)/ deficit	1,741	1,722	1,621	(101)
Transfer to funds	0	0	0	0
<b>Total funding required</b>	<b>3,796</b>	<b>3,884</b>	<b>3,612</b>	<b>(272)</b>
Funding for depreciation and other non-cash items	3,116	3,180	2,896	(284)
Loans raised	0	704	533	(171)
Transfer from funds	680	0	183	183
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>3,796</b>	<b>3,884</b>	<b>3,612</b>	<b>(272)</b>

# Stormwater

## What does this activity do?

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.

## Key project



### Pipeline renewal

\$754,223 in 2013 – 2014,  
approximately \$9,432,000 over the following 8 years

The renewal/replacement programme is set out in the Stormwater Asset Management Plan.

## 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.

Performance measure	Target 2013-2014
Preventative measures are undertaken to ensure that no flooding occurs within habitable buildings during a 1:50 year rainfall event <sup>1</sup>	Zero reports of inhabited buildings being flooded

<sup>1</sup> In-house monitoring – service calls database

## Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Asset management – to replace existing assets</b>				
Pipeline renewal	755	755	0	Targeted rates
Telemetry upgrade	9	9	0	Targeted rates
<b>Total water supply works programme</b>	<b>764</b>	<b>764</b>	<b>0</b>	

## Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Funded by
<b>Project</b>		
Sunbrae Drive	50	Targeted Rates Account
Pinehaven Stream Study	14	Targeted Rates Account
Stormwater model calibration	20	Targeted Rates Account
<b>Total</b>	<b>84</b>	

## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	2,180	2,284	2,272	(12)
Operating income	608	619	612	(7)
<b>Total operating revenue</b>	<b>2,788</b>	<b>2,903</b>	<b>2,884</b>	<b>(19)</b>
Operating costs	1,752	1,653	1,725	72
Interest	0	0	0	0
Depreciation	1,385	1,432	1,522	90
<b>Total operating costs</b>	<b>3,137</b>	<b>3,085</b>	<b>3,247</b>	<b>162</b>
<b>Operating surplus/ (deficit)</b>	<b>(349)</b>	<b>(182)</b>	<b>(363)</b>	<b>(181)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	783	764	764	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	349	182	363	181
Transfer to funds	0	0	0	0
<b>Total funding required</b>	<b>1,132</b>	<b>946</b>	<b>1,127</b>	<b>181</b>
Funding for depreciation and other non-cash items	1,082	946	1,077	131
Loans raised	0	0	0	0
Transfer from funds	50	0	50	50
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>1,132</b>	<b>946</b>	<b>1,127</b>	<b>181</b>



# Rubbish and recycling

## What does this activity do?

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

## Key projects



### Waste Management and Minimisation Plan – Wellington regional and Upper Hutt specific projects

\$10,342 in 2013 – 2014, approximately \$10,000 – \$12,000 per annum in the following 8 years

Upper Hutt City Council, in conjunction with the Councils within the Wellington Region, has adopted a Waste Management and Minimisation Plan based on the New Zealand Waste Strategy and in accordance with the Waste Minimisation Act (2008).

#### Projects include:

- development of a regional waste by-law
- exploration of shared services
- improved data collection
- waste minimisation fund bids
- investigate and agree a process for considering waste projects for regional funding
- enhance packaging design controls and extended producer responsibility for packaging materials
- development of a Regional Waste Education Strategy.

## Level of service objectives and performance measures

### Objective

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

Performance measure	Target 2013 – 2014
Reduce the annual tonnage of waste collected and sent to the local landfill <sup>1</sup>	Maintain a compounding target of reducing the waste collected per household on average by 10% per annum
Promote recycling within Upper Hutt with the goal of increasing the participation rate of households <sup>1</sup>	Annually increase the number of households who recycle, on a regular basis

<sup>1</sup> In-house report using contractor's data

### Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Project</b>				
Waste management and minimisation plan – Wellington regional projects	7	7	0	Rates
Waste management and minimisation plan - Upper Hutt projects	3	3	0	Rates
<b>Total rubbish and recycling works programme</b>	<b>10</b>	<b>10</b>	<b>0</b>	

## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	(332)	(506)	(443)	63
Operating income	635	654	591	(63)
<b>Total operating revenue</b>	<b>303</b>	<b>148</b>	<b>148</b>	<b>0</b>
Operating costs	303	148	148	0
Interest	0	0	0	0
Depreciation	0	0	0	0
<b>Total operating costs</b>	<b>303</b>	<b>148</b>	<b>148</b>	<b>0</b>
<b>Operating surplus/ (deficit)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	0	0	0	0
Transfer to funds	0	0	0	0
<b>Total funding required</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
Funding for depreciation and other non-cash items	0	0	0	0
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Planning and regulatory services

### What does this activity do?

The Planning and Regulatory Services division is responsible for a group of activities that range from regulatory, monitoring and enforcement through to long term strategic environmental planning responsibilities for the benefit of the community as a whole. Activities included within this section are City Planning, Environmental Health, Building Control, Animal Control, and Parking Enforcement.

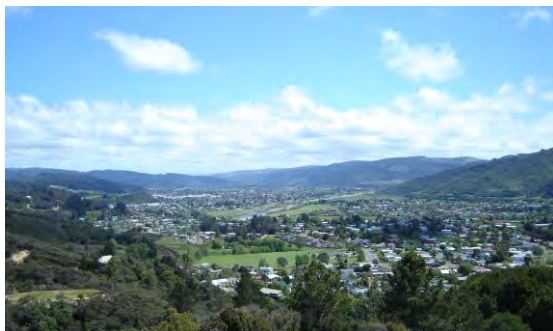
### Key projects



#### District Plan review

\$70,000 in 2013 – 2014

Council is required to review its District Plan every ten years. The ongoing review work will continue, following on from work commenced in the 2012 – 2013 year. Reviews of District Plan chapters relating to Network Utilities and Significant Natural Areas will be completed, and implementation of the rolling review work programme will continue. This includes the development of a Rural Strategy that will ultimately guide a review of the District Plan pertaining to the rural areas of the city. This project will commence with the undertaking of a detailed landscape study.



#### Urban Growth Strategy – implementation

\$40,126 in 2013 – 2014

Council is currently implementing the Urban Growth Strategy that was adopted by Council in September 2007. Council commenced a review of the Urban Growth Strategy in 2012-2013, which will be completed, with implementation work then continuing.



#### Maymorn Structure Plan

\$108,633 in 2013 – 2014

Council adopted the completed Maymorn Structure Plan in February 2012. Work will now continue on more detailed design and policy development during the next two years, focusing on the development of a change to the District Plan.

## Level of service objectives and performance measures

### Objective – City Planning

Consents will be processed efficiently and within statutory timeframes.

Performance measure	Target 2013 – 2014
1. Process resource consents within the statutory timeframes <sup>2</sup>	100% of resource consents will be processed within the statutory timeframes
2. Community satisfaction with Council's current resource management practices <sup>1</sup>	87.5% of respondents are satisfied or very satisfied with the resource management service

<sup>1</sup>Annual Community Survey      <sup>2</sup>In-house monitoring

### Objective – Regulatory services

Consents and licenses will be processed efficiently, accurately, and within statutory timeframes, and service provision meets all relevant statutory requirements.

Performance measure	Target 2013 – 2014
3. Community satisfaction with Council's building and compliance services provided <sup>1</sup> and <sup>3</sup>	92% of respondents are satisfied or very satisfied with the building consenting service <sup>3</sup>  85% of respondents are satisfied or very satisfied with the control of dog nuisances in the city <sup>1</sup>  90% of respondents are satisfied or very satisfied with the enforcement of parking requirements within the city centre <sup>1</sup>
4. Process building consents and LIMs within the statutory timeframes <sup>2</sup>	100% of building consents and LIMs will be processed within statutory timeframes
5. Timeliness of food and hairdresser premises inspections <sup>2</sup>	Food and hairdresser premises inspections – complete annual inspection of 100% of premises requiring health inspection for the future year by 30 June
6. Timeliness of response to complaints of excessive noise <sup>2</sup>	Complaints of excessive noise – respond within one hour to 90% of excessive noise reports being confirmed
7. Timeliness of initial response to reported dog attacks <sup>2</sup>	100% of reported dog attacks will receive an initial response within two hours of the complaint being received

<sup>1</sup>Annual Community Survey

<sup>2</sup>In-house monitoring

<sup>3</sup> Building Consents Survey

## Works programme

		Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
CP	District Plan Review	120	70	(50)	Rates
CP	Urban Growth Strategy implementation	39	40	1	Rates
CP	Maymorn Structure Plan	105	109	4	Rates
<b>Total city planning works programme</b>		<b>264</b>	<b>219</b>	<b>(45)</b>	

## Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Funded by
<b>Project</b>		
CP	Planning – legal	10 Rates
CP	Urban Growth Strategy	51 Rates
CP	Scheme review	45 Rates
CP	Maymorn Structure Plan	42 Rates
AC	Education	10 Special funds
CP	Habitat Improvements Study	87 Rates/Loans
<b>Total</b>	<b>245</b>	

AC = Animal Control

CP = City planning cost centre

## Cost of service statement

<b>Amalgamations:</b>	<b>Forecast Annual Plan Year 1 2012-13 (\$ 000)</b>	<b>Forecast LTP Year 2 2013-14 (\$ 000)</b>	<b>Forecast Annual Plan Year 2 2013-14 (\$ 000)</b>	<b>Forecast Variation Year 2 2013-14 (\$ 000)</b>
• Building and compliance services				
• Planning				
<b>Operating statement</b>				
Rates	1,512	2,037	1,967	(70)
Operating income	2,028	2,125	2,039	(86)
<b>Total operating revenue</b>	<b>3,540</b>	<b>4,162</b>	<b>4,006</b>	<b>(156)</b>
Operating costs	3,360	5,516	5,810	294
Interest	3	109	67	(42)
Depreciation	5	4	3	(1)
<b>Total operating costs</b>	<b>3,368</b>	<b>5,629</b>	<b>5,880</b>	<b>251</b>
<b>Operating surplus/ (deficit)</b>	<b>172</b>	<b>(1,467)</b>	<b>(1,874)</b>	<b>(407)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	0	0	0	0
Loans repayments	0	260	156	(104)
Operating (surplus)/ deficit	(172)	1,467	1,874	407
Transfer to funds	300	310	310	0
<b>Total funding required</b>	<b>128</b>	<b>2,037</b>	<b>2,340</b>	<b>303</b>
Funding for depreciation and other non-cash items	11	15	13	(2)
Loans raised	98	2,000	2,300	300
Transfer from funds	19	22	27	5
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>128</b>	<b>2,037</b>	<b>2,340</b>	<b>303</b>

# Community services

## What does this activity do?

Council provides a number of activities and services that support the community; these include facilities and associated programmes, recreation and leisure offerings and community support.

### Community development

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

### Activation

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

### Emergency management

Upper Hutt City Council has joined with all the city and district councils in the region to form a Civil Defence and Emergency Management (CDEM) Group under the CDEM Act of 2002.

## Key projects



### Increase capacity in safety: crime prevention, graffiti

\$65,000 in 2013 – 2014

Increased capacity to enable the Council to respond to a suite of issues repeatedly raised by the community.



### Safe and healthy cities

\$22,000 in 2013 – 2014

Provision of information and assistance to improve the safety, health and wellbeing of the Upper Hutt population.



### Activation

\$244,200 in 2013 – 2014

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





### Youth strategy

\$11,000 in 2013 – 2014

Identify and respond to the needs of young people, in areas such as depression and harm reduction around drugs and alcohol.

## Level of service objectives and performance measures

### Objectives

- Council will support and educate our caring, proud and connected community, whilst promoting culture, heritage, health and wellbeing
- Council will identify community and social needs in order to develop and support local initiatives to meet those needs.

Performance measure	Target 2013 – 2014
Satisfaction with the level of community engagement by the <b>Community development team</b> <sup>3</sup>	90% of respondents are satisfied or very satisfied
Level of satisfaction with the range and quality of local initiatives (community and <b>Activation</b> ) provided to meet the needs of the Upper Hutt community <sup>2</sup>	80% of programme participants rate the initiatives as being satisfactory or better at meeting the specific needs of the community. (5 key programmes will be evaluated)
Our community is increasingly prepared for a <b>civil defence emergency</b> <sup>1</sup>	75% of households are prepared for a civil defence emergency

<sup>1</sup> Annual Community Survey 'To be prepared for a Civil Defence emergency, households should have an emergency kit, which includes stored food, water, a radio, batteries and a torch, and also an emergency plan of what to do'

<sup>2</sup> In-house monitoring

<sup>3</sup> Annual Community Group Survey

## Works programme

		Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Asset management – to replace existing assets</b>					
EM	Vehicles	15	276	261	Special fund – plant renewal
<b>Capital works – to improve the level of service</b>					
EM	Relocate equipment to new emergency operation centre <sup>2</sup>	0	50	50	Loans
EM	New emergency operation generator <sup>2</sup>	0	60	60	Special fund – plant renewal
EM	New emergency operations centre seismic upgrade <sup>2</sup>	0	300	300	Loans
<b>Projects</b>					
CS	Youth strategy	11	11	0	Rates
CS	Safe and healthy cities	21	22	1	Rates
CS	Heritage trail <sup>3</sup>	26	0	(26)	Rates
CS	Increased capacity in safety: crime prevention, graffiti	67	65	(2)	Rates
AC	Activation <sup>1</sup>	212	244	32	Rates
<b>Total community services works programme</b>		<b>352</b>	<b>1,028</b>	<b>676</b>	

CS = Community Services

AC = Activation

EM = Emergency Management

<sup>1</sup> The budget for the Activation programme has increased due to a reallocation of salaries into the correct cost centre.

<sup>2</sup> These projects have been deferred from 2012-13 to 2013-14 while Council investigates alternative options.

<sup>3</sup> This project has been deferred.

## Cost of service statement

<b>Amalgamations:</b>	<b>Forecast Annual Plan Year 1 2012-13 (\$ 000)</b>	<b>Forecast LTP Year 2 2013-14 (\$ 000)</b>	<b>Forecast Annual Plan Year 2 2013-14 (\$ 000)</b>	<b>Forecast Variation Year 2 2013-14 (\$ 000)</b>
• Community Services				
• Activation				
• Emergency Management				
<b>Operating statement</b>				
Rates	1,362	1,460	1,403	(57)
Operating income	318	123	206	83
<b>Total operating revenue</b>	<b>1,680</b>	<b>1,583</b>	<b>1,609</b>	<b>26</b>
Operating costs	1,458	1,414	1,468	54
Interest	10	19	10	(9)
Depreciation	40	88	74	(14)
<b>Total operating costs</b>	<b>1,508</b>	<b>1,521</b>	<b>1,552</b>	<b>31</b>
<b>Operating surplus/ (deficit)</b>	<b>172</b>	<b>62</b>	<b>57</b>	<b>(5)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	627	15	686	671
Loans repayments	0	18	0	(18)
Operating (surplus)/ deficit	(172)	(62)	(57)	5
Transfer to funds	130	134	134	0
<b>Total funding required</b>	<b>585</b>	<b>105</b>	<b>763</b>	<b>658</b>
Funding for depreciation and other non-cash items	43	90	77	(13)
Loans raised	350	0	350	350
Transfer from funds	192	15	336	321
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>585</b>	<b>105</b>	<b>763</b>	<b>658</b>

# Facilities

## What does this activity do and why is Council involved?

This activity ensures that a number of leisure facilities are provided in Upper Hutt, including H<sup>2</sup>O Xstream, the Central and Pinehaven Libraries, Expressions Arts and Entertainment Centre and a wide range of playgrounds, parks, reserves, public gardens and the Akatarawa Cemetery.

## Key projects



### Library resources

\$275,000 in 2013 – 2014,  
approximately \$3.102M over the following  
8 years

To ensure that library collections, both paper and electronic, keep pace with community expectations and technological advances.



### New and enhanced public spaces

\$22,000 in 2013 – 2014,  
approximately \$1.112M over the following  
8 years (for other areas in the city centre).

This project looks to improve the appearance of Russell Street within the city centre.



### Upgrading of Hutt River Trail programme

\$118,808 in 2013 – 2014,  
approximately \$222,000 over the following  
8 years

These funds are to be used to upgrade the Hutt River Trail from Silverstream Amenity Reserve to Bridge Road, a distance of eleven kilometres, over an eight year period.



### Community environmental education and action project

This year the project will focus on informing, promoting and supporting local action in the areas of:

- water conservation and quality (building on current work by Greater Wellington Regional Council)
- waste minimisation through reduction, recycling and composting
- sustainable living and food growing
- sustainable transport promotion (schools).

## Level of service objectives and performance measures

### Objective

Our facilities and leisure opportunities attract visitors and residents, while our parks and rich native surrounds enrich our quality of life.

Performance measure	Target 2013 – 2014
<b>H<sup>2</sup>O Xtream</b>	
1. Community satisfaction with the range of high quality aquatic leisure opportunities provided, for people of all ages and abilities, by <b>H<sup>2</sup>O Xtream</b> <sup>1</sup>	95% of respondents are satisfied or very satisfied
2. <b>H<sup>2</sup>O Xtream</b> will meet or exceed all required compliance standards for swimming pool operation <sup>2</sup>	PoolSafe Accreditation
3. <b>H<sup>2</sup>O Xtream</b> annual attendance figures	At least 230,000 people visit over the year
<b>Library</b>	
4. Community satisfaction with the level of customer service provided by <b>library</b> staff <sup>1</sup>	95% of respondents are satisfied or very satisfied
5. Number of issues and physical visits in the 12 months to 30 June <sup>3,4,5</sup>	Increase the number of issues, physical visits, and website visits from that of the previous year

Performance measure	Target 2013 – 2014
<b>Expressions Arts and Entertainment Centre</b>	
6. Community satisfaction with the range and number of arts opportunities provided at <b>Expressions Arts and Entertainment Centre<sup>1</sup></b>	90% of respondents are satisfied or very satisfied
7. Number of visitors to the <b>Expressions Arts and Entertainment Centre<sup>6</sup></b>	65,000 visitors
<b>Parks and reserves</b>	
8. Community satisfaction with the level of provision of open space, amenities, and <b>gardens<sup>1</sup></b>	95% of respondents are satisfied or very satisfied

<sup>1</sup> Annual Community Survey<sup>2</sup> Pool Safe Assessment<sup>3</sup> Horizon Database Survey<sup>4</sup> Foot traffic counter at entrance to library<sup>5</sup> 'Smarter stats' website (IT)<sup>6</sup> In-house Expressions monitoring

## Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Asset management to replace existing assets</b>				
PR Toilets	72	70	(2)	Special fund – Reserve fund contribution
PR Amenities replacement	104	100	(4)	Special fund – Reserve fund contribution
PR New roading seal	24	23	(1)	Special fund – Reserve fund contribution
PR Renewal roading sealing	36	35	(1)	Special fund – Reserve fund contribution
PR Underground pipe replacement	2	0	(2)	Special fund – Reserve fund contribution
PR Play equipment	130	125	(5)	Special fund – Reserve fund contribution
LB Equipment replacements	8	4	(4)	Rates

		Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Capital works – to improve the level of service</b>					
PR	Walkway signage	3	3	0	Special fund – Reserve fund contribution
PR	Upgrading of Hutt River Trail programme	123	119	(4)	Loans
PR	New pathways and walkways	7	7	0	Special fund – Reserve fund contribution
PR	Walkway asset replacement/ refurbishment	0	30	30	Special fund – Reserve fund contribution
PR	Enhanced public space (Russell Street)	71	22	(49)	Special fund – Reserve fund contribution
HO	H <sup>2</sup> O UV system	0	88	88	Loans
LB	Library resources	338	275	(63)	Rates
LB	APNK – Public internet	0	21	21	Rates
<b>Projects</b>					
PR	Large trees in reserves	10	10	0	Rates
PR	Native forest management programme	3	3	0	Rates
PR	Monitoring native bush	3	3	0	Rates
SS	Sustainable strategy programme <sup>1</sup>	66	24	(42)	Rates – Personnel costs included
SS	Community environment education and action project <sup>2</sup>	0	10	10	Rates – Personnel costs included
<b>Total facilities works programme</b>		<b>1,000</b>	<b>972</b>	<b>(28)</b>	

<sup>1</sup> Under the LTP 2012-2022 the Sustainability Strategy (\$66,000) was in Facilities under Support Services. It has now been broken down into two parts, \$42,000 has been transferred to Leadership as a project and the balance \$24,000 has been allocated to staff costs under personnel costs in Facilities.

<sup>2</sup> Under the LTP 2012-2022 the community environment education project was under Economic Development. It has now been transferred to Facilities under Support Services and has been allocated to personnel costs.

**Approved carryover projects from previous years budgets**

<b>Projects</b>	<b>Budget (\$ 000)</b>	<b>Funded by</b>
<b>Project</b>		
SS IS Consultants	20	Rates
SS IS GIS software	10	Rates
SS Infrastructure consultants	60	Rates
<b>Total</b>	<b>90</b>	

**KEY**

CE = Cemetery  
 HO = H<sup>2</sup>O Xstream  
 LB = Library  
 PP = Property  
 PR = Parks and Reserves  
 SS = Support Services



## Cost of service statement

Amalgamations:	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<ul style="list-style-type: none"> <li>• Cemetery</li> <li>• Expressions</li> <li>• H<sup>2</sup>O Xstream</li> <li>• Library</li> <li>• Parks and Reserves</li> <li>• Property</li> <li>• Support services</li> </ul>				
<b>Operating statement</b>				
Rates	6,917	7,003	6,768	(235)
Operating income	2,361	2,439	3,720	1,281
<b>Total operating revenue</b>	<b>9,278</b>	<b>9,442</b>	<b>10,488</b>	<b>1,046</b>
Operating costs	8,492	8,718	8,621	(97)
Interest	323	247	253	6
Depreciation	1,577	1,674	1,650	(24)
<b>Total operating costs</b>	<b>10,392</b>	<b>10,639</b>	<b>10,524</b>	<b>(115)</b>
<b>Operating surplus/ (deficit)</b>	<b>(1,114)</b>	<b>(1,197)</b>	<b>(36)</b>	<b>1,161</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	1,005	918	922	4
Loans repayments	234	248	1,540	1,292
Operating (surplus)/ deficit	1,114	1,197	36	(1,161)
Transfer to funds	41	42	153	111
<b>Total funding required</b>	<b>2,394</b>	<b>2,405</b>	<b>2,651</b>	<b>246</b>
Funding for depreciation and other non-cash items	1,696	1,797	1,768	(29)
Loans raised	287	328	358	30
Transfer from funds	411	280	525	245
Accumulated funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>2,394</b>	<b>2,405</b>	<b>2,651</b>	<b>246</b>

# Economic development

## What does this activity do?

Council's future focus is on targeting and attracting new businesses and employers, increasing the vibrancy of our city centre, managing industrial land for future potential, and marketing Upper Hutt's brand and assets effectively. This activity also covers promotion of the city, including the visitor industry and business liaison services.

## Key projects



### Upper Hutt marketing strategy

\$103,460 for 2013 – 2014

The marketing strategy aims to increase new business and residential investment while enhancing the perceptions of existing residents.



### New business and retail targeting campaign

\$31,000 in 2013 – 2014

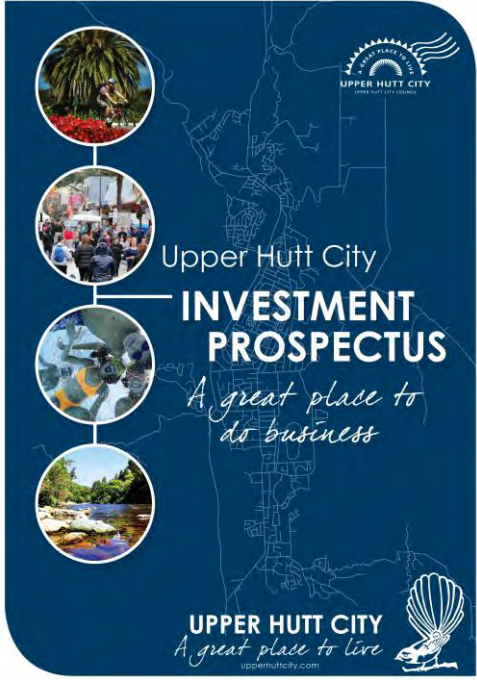
This project is aimed at increasing sustainable business, retail and employment growth within the city as a result of targeted stakeholder engagement and conceptual development, focussed on large commercial businesses or government agencies looking for new office space within Wellington Region. This project will leverage off the marketing strategy.



### City centre management

\$60,000 in 2013 – 2014

This project will look to promote the city centre in addition to improving coordination and communication amongst Council and the retailers.



**Upper Hutt City**  
**INVESTMENT PROSPECTUS**  
*A great place to do business*

**UPPER HUTT CITY**  
*A great place to live*  
upperhuttcity.com

**Business and resident opportunity prospectus**

\$20,700 in 2013 – 2014

This funding will be spent on the development of resources, which will support the 'New business and retail targeting campaign' (on the previous page), by providing essential information to potential businesses.

## Level of service objectives and performance measures

### Objective

Council will promote Upper Hutt's assets to businesses, residents, visitors, and key stakeholders, with the view to enhancing our local wealth, jobs, and image.

Performance measure	Target 2013 – 2014
Community satisfaction with the level of support provided to support economic development <sup>1</sup>	85% of respondents are satisfied or very satisfied
Reduce the number of vacant shops in the city centre <sup>2</sup>	Decrease the number of vacant shops from that of the previous year.

<sup>1</sup> Annual Community Survey

<sup>2</sup> In-house monitoring

## Works programme

	Forecast LTP Year 2 2013-14 (\$000)	Forecast Annual Plan Year 2 2013-14 (\$000)	Forecast Variation Year 2 2013-14 (\$000)	Source of Funding 2013-14
<b>Projects</b>				
Upper Hutt marketing strategy	103	103	0	Rates
Business and resident opportunity prospectus	21	21	0	Rates
City centre and precinct <sup>2</sup> visions and promotion	9	0	(9)	Rates
Opportunities profile and <sup>2</sup> business outreach programme	11	0	(11)	Rates
New business and retail targeting campaign	31	31	0	Rates
City centre management <sup>3</sup>	60	60	0	Rates – Personnel costs included
Community environment education and action plan <sup>1</sup>	10	0	(10)	Rates
Smartlinx3	4	0	(4)	Rates
Regional marketing initiatives	0	10	10	Rates
The Great Ride Cycleway	0	5	5	Rates
<b>Total economic development works programme</b>	<b>249</b>	<b>230</b>	<b>(19)</b>	

<sup>1</sup> Under the LTP 2012-2022 this project was under Economic Development. It has now been transferred to Facilities under Support Services and has been allocated to personnel costs

<sup>2</sup> Upon review Council has deferred these projects.

<sup>3</sup> This project has been broken up to be shown as two separate components, \$43,000 has been allocated to personnel costs and \$17,000 has been allocated to city centre promotions.

## Cost of service statement

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Operating statement</b>				
Rates	870	925	1,050	125
Operating income	22	22	12	(10)
<b>Total operating revenue</b>	<b>892</b>	<b>947</b>	<b>1,062</b>	<b>115</b>
Operating costs	891	949	1,065	116
Interest	0	0	0	0
Depreciation	1	0	1	1
<b>Total operating costs</b>	<b>892</b>	<b>949</b>	<b>1,066</b>	<b>117</b>
<b>Operating surplus/ (deficit)</b>	<b>0</b>	<b>(2)</b>	<b>(4)</b>	<b>(2)</b>
<b>Capital and reserves funding statement</b>				
Capital expenditure	0	0	0	0
Loans repayments	0	0	0	0
Operating (surplus)/ deficit	1	2	4	2
Transfer to funds	0	0	0	0
<b>Total funding required</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>
Funding for depreciation and other non-cash items	1	2	4	2
Loans raised	0	0	0	0
Transfer from funds	0	0	0	0
<b>Transfer from funds applied</b>	<b>1</b>	<b>2</b>	<b>4</b>	<b>2</b>

ECONOMIC DEVELOPMENT



# Financials

<b>Accounting policies and assumptions .....</b>	<b>63</b>
Accounting policies .....	63
<b>Prospective statement of comprehensive income .....</b>	<b>79</b>
<b>Prospective statement of financial position .....</b>	<b>80</b>
<b>Prospective statement on changes of equity .....</b>	<b>81</b>
<b>Prospective cashflow statement .....</b>	<b>82</b>
<b>Notes to the financial statements .....</b>	<b>83</b>
1 – Rates .....	83
2 - Fees and charges .....	84
3 - Subsidies and grants .....	85
4 - Interest and dividends .....	85
5 - Other expenditure and items for disclosure .....	86
6 – Cash and cash equivalents .....	87
7 – Other financial assets .....	88
8 – Derivative financial instruments .....	89
9 - Trade and other receivables .....	90
10a – Operational property, plant and equipment .....	92
10b – Restricted property, plant and equipment .....	93
11 – Infrastructure assets .....	94
12 – Hutt Valley Wastewater Scheme .....	94
13 – Trade and other payables .....	95
14 – Employee entitlements .....	96
15 – Public debt .....	97
16 – Financial instruments .....	98
17 – Accumulated funds .....	99
18 – Reserves .....	99
19 – Asset revaluation reserves .....	103
20 - Contingencies .....	104
21 – Discontinued activities .....	105
22 – Expressions Arts and Entertainment Centre .....	105
23 – Net operating surplus .....	105
24 – Inflation .....	105
25 – Reconciliation of surplus before appropriation to cashflow from operating activities .....	106
<b>Schedule of special funds .....</b>	<b>107</b>
<b>Performance ratios .....</b>	<b>108</b>
<b>Funding impact statement .....</b>	<b>109</b>
Funding impact statement for groups of activities .....	109
Differential definitions .....	124
Rates remission .....	126
Definition of “Separately Used or Inhabited Parts” of a rating unit .....	127
Upper Hutt urban drainage map used for stormwater rates .....	128
<b>Indicative rates .....</b>	<b>129</b>
Indicative rates – standard .....	129
Indicative rates – business <sup>2</sup> .....	129
Indicative rates – rural .....	129





# Accounting policies and assumptions

## Accounting policies

### Reporting Entity

The primary objective of Upper Hutt City Council is to provide goods and services for the local community or social benefit rather than making a financial return.

Upper Hutt City Council is a territorial local authority governed by the Local Government Act 2002. These financial policies are prepared in accordance with the requirements of Section 98 of the Local Government Act 2002, which includes the requirement to comply with generally accepted accounting practices. The forecast financial statements are those which have been adopted by Council to meet the requirements of Clause 8 of Schedule 10 of the Local Government Act 2002.

The Council is responsible for the prospective financial statements presented, including the appropriateness of the assumptions underlying the prospective financial statements and all other required disclosures.

The prospective financial statements of Upper Hutt City Council are for the period year ended 30 June 2013 to 2014. The prospective financial statements were adopted for issue by Council on 26 June 2013.

The Council will update the prospective financial statements, following consultation, submissions and decisions that are included in the final plan that the Council adopts.

### Basis of Preparation

#### Measurement Base

The financial statements have been prepared on the historical cost basis, except for the revaluation of certain fixed assets. The statements are based on New Zealand generally accepted accounting practice and comply with New Zealand equivalents of international reporting standards for the first time.

In September 2011, the External Reporting Board issued a position paper and consultation papers proposing a new external reporting framework for public benefit entities (PBEs). The papers proposed that accounting standards for PBEs would be based on International Public Sector Accounting Standards, modified as necessary. The proposals in these papers do not provide certainty about any specific requirements of future accounting standards. Therefore, the accounting policies on which the forecast information for 2013-14 has been prepared are based on the current New Zealand equivalents to International Financial Reporting Standards.

## Accounting Policies

The particular accounting policies applied are as follows:

### Forecast 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 Annual Plan process. The forecast figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the 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 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 2012-13 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.

The financial statements have been prepared on a historical cost basis, modified by the revaluation of land and buildings, certain infrastructural assets, and financial instruments (including derivative instruments).

The 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 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 Financial Performance.

### Changes in accounting policies

The Council and group have adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

- amendments to NZ IFRS 7 Financial Instruments: Disclosures. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. The Council and group has elected to disclose comparative information
- amendment to NZ IAS 16, Property, Plant and Equipment. The amendment allows the Council to dispense with an independent review of its Property, Plant and Equipment valuations. The revised standard applies from 1 July 2011 but earlier application is permitted. The Council and group has elected to apply this standard to its infrastructural asset category under Property, Plant and Equipment.

### 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.

### Traffic and parking infringements

Traffic and parking infringements are recognised when tickets are receipted.

### 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 by reference to the stage of completion of the transaction at balance date, 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 or when the Council provides the service for which the contribution is charged. Contributions in advance 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 have elected to defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public 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 in hand, deposits held on call with 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.

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 Prospective Statement of Comprehensive Income as a grant.

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 Financial Statements have been prepared exclusive of GST, with the exception of accounts payable and accounts 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.

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, included the GST relating to investing and financing activities, is classified as an operating cash flow in the Prospective Statement of Cash Flows. Contingencies are disclosed inclusive of GST.

**Inventories**

Inventories held for consumption in the provision of services that are not supplied on a commercial basis are recorded at the lower of cost or current replacement cost.

The write down from cost to current replacement cost is recognised in the Prospective Statement of Comprehensive Income.

## Financial Assets

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

- financial assets at fair value through profit or loss
- held to maturity investments
- loans and receivables
- financial assets at fair value through equity.

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 and liabilities are initially measured at fair value plus transactions costs unless they are carried at fair value through profit or loss, in which case the transaction costs are recognised in the Prospective Statement of Comprehensive Income.

Purchases and sales of investments are recognised on trade-date, the date on which Upper Hutt City Council commits to purchases or sales of the asset. Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Upper Hutt City Council has transferred substantially all the risks and rewards of ownership.

The fair value of financial instruments traded in active markets is based on quoted market prices at the balance sheet date. The quoted market price used is the current bid price.

The fair value of financial instruments that are not traded in an active market is determined using valuation techniques. Upper Hutt City Council uses a variety of methods and makes assumptions that are based on market conditions existing at each balance date. Quoted market prices or dealer quotes for similar instruments are used for long-term debt instruments held. Other techniques, such as estimated discounted cash flows, are used to determine fair value for the remaining financial instruments.

The four categories for financial assets are:

### 1. Financial assets at fair value through profit or loss

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.

## 2. Loans and receivables

These are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

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

Investments in this category include term deposits.

## 3. Held to maturity investments

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

After initial recognition they are measured at amortised cost using the effective interest method. Gains and losses when the asset is impaired or derecognised are recognised in the Prospective Statement of Comprehensive Income.

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

## 4. Financial assets at fair value through equity

Financial assets at fair value through equity are those that are designated as fair value through equity or are not classified in any of the other categories above.

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 equity except for impairment losses which are recognised in the Prospective Statement of Comprehensive Income. In the event of impairment, any cumulative losses previously recognised in equity will be removed from equity and recognised in the Prospective Statement of Comprehensive Income even though the asset has not been derecognised.

On de-recognition, the cumulative gain or loss previously recognised in equity is recognised in the Prospective Statement of Comprehensive Income.

### Impairment of financial assets

At each balance sheet date Upper Hutt City Council assess whether there is any objective evidence that financial asset or group of assets is impaired. Any impairment losses are recognised in the Prospective Statement of Comprehensive Income.

### **Accounting for Derivative Financial Instruments**

Upper Hutt City Council uses derivative financial instruments to hedge 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.

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 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. At 30 June 2012, Upper Hutt City Council held no investment properties.

Gains and losses arising from a change in the fair value of investment property are recognised in the Prospective Statement of Comprehensive Income.



### **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 Prospective Statement of Comprehensive Income.

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

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. Interest and other expenses attributed to the liabilities of a disposal group as held for sale continue to be recognised.

### **Intangible assets**

#### **Software acquisition and development**

Acquired computer software license 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 uses 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 economic benefits or service potential of the asset are 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 economic benefits 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 that results in a debit balance in the revaluation reserve; that balance is recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Prospective Statement of Comprehensive Income.

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 Prospective Statement of Comprehensive Income, a reversal of the impairment loss is also recognised in the Prospective Statement of Comprehensive Income.

For assets not carried at revalued amount (other than goodwill) the reversal of an impairment loss is recognised in the Prospective Statement of Comprehensive Income.

### **Property, Plant and Equipment**

Council has Asset Management Plans for all major assets. These plans have provided the base for development of the forecast financial statements.

Fixed assets include:

- a. **Operational property, plant and equipment:** These include land, buildings, improvements, library books, plant and equipment and motor vehicles.
- b. **Restricted property, plant and equipment:** Restricted assets 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 or other restrictions.
- c. **Infrastructure assets:** Infrastructure assets are the fixed utility network systems owned by Council and include roading, water, stormwater and wastewater piping.

Property, plant and equipment is 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.

### **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 Prospective Statement of Comprehensive Income. Where revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to retained earnings.

### 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
- **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. Infrastructure assets are reassessed every year as at 30 June by city engineers
- **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. Other infrastructure assets were valued by Capacity and independently reviewed by AECOM Limited as at 31 December 2011. The valuer was Colin Gerrard (BSc, MSc, GIPENZ) and was reviewed by Ian Martin (BSc, BE (Hons), CPEng, CEng (UK), MIPENZ, MCIWEM)
- **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 2011 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 2011 by the City Librarian. The valuation was independently checked by Peter Trewern in 2011. 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** 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 Prospective 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 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		
Straight-line Depreciation	Years	Rate
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%
<b>Infrastructure Assets</b>		
<b>Roading</b>		
Carparks	50 years	2%
Culverts	50 to 80 years	1.25% to 2%

<b>Depreciation</b>		
	<b>Years</b>	<b>Rate</b>
<b>Straight-line Depreciation</b>		
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%
<b>Water</b>		
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%
<b>Stormwater</b>		
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%
<b>Wastewater</b>		
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%
<b>Telemetry</b>		
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%
<b>Diminishing Value Depreciation</b>		
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.

### 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.

### 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.

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.

## 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 recognised finance lease 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 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 straightline basis over the lease term.

## Borrowings

Borrowings are initially recognised at their fair value. After initial recognition, all borrowings are measured at amortised cost using the effective interest method.

## Equity

Equity is the community's interest as measured as the difference between total assets less total liabilities. Public equity is disaggregated and classified into a number of reserves to enable clearer identification of specified uses that Council makes of accumulated surpluses.

Components of equity are:

- Retained earnings
- Restricted reserves
- Asset revaluation reserve

## 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

Cash means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which the Council invests as part of its day-to-day cash management.

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 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:

### 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 Prospective Statement of Comprehensive Income. 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.

### Changes in Accounting Policies

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**'.



# Prospective statement of comprehensive income

	NOTES	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Income</b>					
Rates	1	30,228	32,056	31,646	(410)
Fees and charges	2	8,171	8,501	9,589	1,088
Development and financial contributions		632	664	664	0
Subsidies and grants	3	3,165	3,676	2,810	(866)
Interest and dividends	4	160	173	174	1
<b>Total Income</b>		<b>42,356</b>	<b>45,070</b>	<b>44,883</b>	<b>(187)</b>
<b>Expenditure</b>					
Personnel costs		8,438	8,658	8,665	7
Depreciation and amortisation expense		11,734	12,163	12,245	82
Finance costs		1,459	1,552	1,483	(69)
Bulk drainage levy		2,537	2,596	2,711	115
Bulk water levy		2,389	2,620	2,579	(41)
Other expenses	5	18,378	20,959	21,030	71
<b>Total operating expenditure</b>		<b>44,935</b>	<b>48,548</b>	<b>48,713</b>	<b>165</b>
Surplus / (Deficit) before tax		(2,579)	(3,478)	(3,830)	(352)
Income tax expense		0	0	0	0
<b>Surplus/(deficit) before and after tax</b>	25	<b>(2,579)</b>	<b>(3,478)</b>	<b>(3,830)</b>	<b>(352)</b>
<b>Other comprehensive income</b>					
Gains /(losses) on infrastructure assets revaluation	11	10,920	13,054	(1,326)	(14,380)
Financial assets at fair value through equity		0	0	0	0
Gains on operational and restricted assets revaluation	10A & 10B	6,457	1,350	8,226	6,876
<b>Total other comprehensive income for the year, net of tax</b>		<b>17,377</b>	<b>14,404</b>	<b>6,900</b>	<b>(7,504)</b>
<b>Total comprehensive income for the year</b>		<b>14,798</b>	<b>10,926</b>	<b>3,070</b>	<b>(7,856)</b>

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

## Prospective statement of financial position

	Notes	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Equity</b>					
Accumulated funds	17	238,568	234,579	237,204	2,625
Restricted reserves	18	1,668	2,181	3,779	1,598
Asset revaluation reserve	19	364,690	379,094	392,778	13,684
<b>Total equity</b>		<b>604,926</b>	<b>615,854</b>	<b>633,761</b>	<b>17,907</b>
<b>Assets</b>					
<b>Current assets</b>					
Cash and cash equivalents	6	408	531	683	152
Other financial assets	7	6,455	6,467	7,253	786
Trade and other receivables	9	3,116	3,220	3,188	(32)
<b>Total current assets</b>		<b>9,979</b>	<b>10,218</b>	<b>11,124</b>	<b>906</b>
<b>Non-current assets</b>					
Non-current financial assets	7	213	213	226	13
Derivative financial instruments	8	9	0	0	0
Trade and other receivables	9	71	51	68	17
Operational property, plant and equipment	10a	48,183	47,362	53,784	6,422
Restricted property, plant and equipment	10b	34,519	35,731	36,094	363
Infrastructural assets	11	544,049	558,164	567,263	9,099
<b>Total non-current assets</b>		<b>627,044</b>	<b>641,521</b>	<b>657,435</b>	<b>15,914</b>
<b>Total assets</b>		<b>637,023</b>	<b>651,739</b>	<b>668,559</b>	<b>16,820</b>
<b>Liabilities</b>					
<b>Current liabilities</b>					
Trade and other payables	13	6,400	6,167	6,096	(71)
Employee entitlements	14	550	569	561	(8)
Borrowings - current	15	1,154	1,327	1,494	167
<b>Total current liabilities</b>		<b>8,104</b>	<b>8,063</b>	<b>8,151</b>	<b>88</b>
<b>Non current liabilities</b>					
Derivatives financial instruments	8	0	0	0	0
Employee entitlements	14	175	181	179	(2)
Borrowings - term portion	15	23,818	27,641	26,468	(1,173)
<b>Total non current liabilities</b>		<b>23,993</b>	<b>27,822</b>	<b>26,647</b>	<b>(1,175)</b>
<b>Total liabilities</b>		<b>32,097</b>	<b>35,885</b>	<b>34,798</b>	<b>(1,087)</b>
<b>NET ASSETS</b>		<b>604,926</b>	<b>615,854</b>	<b>633,761</b>	<b>17,907</b>

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

## Prospective statement on changes of equity

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Equity at the start of the year	590,129	604,926	630,691	25,765
Net surplus(deficit) for the year	(2,579)	(3,478)	(3,830)	(352)
Increase (decrease) in asset revaluation reserves	17,377	14,404	6,900	(7,504)
<b>Total recognised revenues and expenses for the period</b>	<b>14,798</b>	<b>10,926</b>	<b>3,070</b>	<b>(7,856)</b>
Total transfer to trust accounts	(1)	2	0	(2)
<b>Prospective equity at end of year</b>	<b>604,926</b>	<b>615,854</b>	<b>633,761</b>	<b>17,907</b>
Accumulated funds	238,568	234,579	237,204	2,625
Revaluation reserves	364,690	379,094	392,778	13,684
Restricted reserves	1,668	2,181	3,779	1,598
<b>Prospective statement of financial position equity</b>	<b>604,926</b>	<b>615,854</b>	<b>633,761</b>	<b>17,907</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

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

## Prospective cashflow statement

	Notes	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Cash flow from operating activities</b>					
<b>Cash was provided from:</b>					
Rates and other receipts		39,841	42,495	42,433	(62)
Interest received	4	160	173	174	1
		40,001	42,668	42,607	(61)
<b>Cash was applied to:</b>					
Payments to suppliers and employees		(30,528)	(34,398)	(34,607)	(209)
Interest paid		(1,459)	(1,552)	(1,483)	69
Goods and services tax (net)		0	0	0	0
		(31,987)	(35,950)	(36,090)	(140)
<b>Net cash inflow (outflow) from operating activities</b>	<b>25</b>	<b>8,014</b>	<b>6,718</b>	<b>6,517</b>	<b>(201)</b>
<b>Cash flow from investing activities</b>					
<b>Cash was provided from:</b>					
Proceeds from sale of fixed assets		20	20	607	587
Decrease in investments		1,549	23	65	42
		1,569	43	672	629
<b>Cash was applied to:</b>					
Increase in investments		0	0	0	0
Purchase of fixed assets		(8,948)	(10,634)	(9,991)	643
		(8,948)	(10,634)	(9,991)	643
<b>Net cash inflow (outflow) from investing activities</b>		<b>(7,379)</b>	<b>(10,591)</b>	<b>(9,319)</b>	<b>1,272</b>
<b>Cash flow from financing activities</b>					
<b>Cash was provided from:</b>					
Loan raised	15	1,272	5,150	5,342	192
<b>Cash was applied to:</b>					
Loan repayments	15	(1,813)	(1,154)	(2,303)	(1,149)
<b>Net cash inflow (outflow) from financing activities</b>		<b>(541)</b>	<b>3,996</b>	<b>3,039</b>	<b>(957)</b>
Cash, cash equivalents and bank overdrafts as at 01 July		314	408	446	38
Net increase (decrease) in cash equivalents and bank overdrafts		94	123	237	114
<b>Cash, cash equivalents and bank overdrafts as at 30 June</b>		<b>408</b>	<b>531</b>	<b>683</b>	<b>152</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

The GST (net) component has been presented on a net basis, as the gross amounts do not provide meaningful information for financial statement purposes.

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

# Notes to the financial statements

## 1 – Rates

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
General rates	17,266	18,392	18,188	(204)
Regional amenity rate	53	106	0	(106)
Targeted rates water fire protection	1,069	1,161	1,156	(5)
Targeted rates water supply	3,268	3,601	3,607	6
Targeted rates stormwater	2,180	2,284	2,272	(12)
Targeted rates wastewater	6,158	6,270	6,221	(49)
Targeted rate Karapoti Bridge	2	2	2	0
Rates penalties	232	240	200	(40)
<b>Total rates income</b>	<b>30,228</b>	<b>32,056</b>	<b>31,646</b>	<b>(410)</b>

### Rates Remission

Rates revenue is shown net of rate remissions.

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 and general rate under selected criteria for the Upper Hutt City Council's Economic Development Policy.

<b>Rates remissions</b>	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Total gross rates revenue	30,341	32,173	31,760	(413)
<b>Less rates remission</b>				
Land used for sport	95	99	96	(3)
Rate penalties remission	18	18	18	0
Remission economic development policy	0	0	0	0
<b>Rates revenue net of remissions</b>	<b>30,228</b>	<b>32,056</b>	<b>31,646</b>	<b>(410)</b>

**Non-rateable land**

Under the Local Government (Rating) Act 2002 certain properties cannot be rated for general rates. These properties include schools, places of worship, public gardens and reserves.

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

**2 - Fees and charges**

	<b>Forecast Annual Plan Year 1 2012-13 (\$ 000)</b>	<b>Forecast LTP Year 2 2013-14 (\$ 000)</b>	<b>Forecast Annual Plan Year 2 2013-14 (\$ 000)</b>	<b>Forecast Variation Year 2 2013-14 (\$ 000)</b>
Metered water charges	990	1,025	996	(29)
Property rentals and sales	248	257	1,653	1,396
Permit and licence fees	1,691	1,750	1,661	(89)
H <sup>2</sup> O Xtream and Expression Charges	1,300	1,345	1,326	(19)
Library, parks, cemetery and community charges	595	615	535	(80)
Vested assets	2,237	2,294	2,289	(5)
Rubbish and recycling solid waste charges	631	653	590	(63)
Other charges	479	562	539	(23)
<b>Total Fees and charges income</b>	<b>8,171</b>	<b>8,501</b>	<b>9,589</b>	<b>1,088</b>

**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 Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Roading subsidies - NZ Transport Agency (NZTA <sup>1</sup> )	1,779	1,846	1,750	(96)
Petrol tax (Crown)	150	155	150	(5)
Rural fire subsidies (GWRC <sup>2</sup> and NRFA <sup>3</sup> )	85	0	85	85
Subsidies for Activation	103	107	103	(4)
Other grants and subsidies	1,048	1,568	722	(846)
<b>Total Subsidies and Grants Income</b>	<b>3,165</b>	<b>3,676</b>	<b>2,810</b>	<b>(866)</b>

<sup>1</sup> NZTA - New Zealand Transport Agency

<sup>2</sup> GWRC - Greater Wellington Regional Council

<sup>3</sup> NFRA - National Rural Fire Authority

### 4 – Interest and dividends

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Interest on general funds	128	128	127	(1)
Interest on special funds	32	45	47	2
Dividends	0	0	0	0
<b>Total Interest and Dividend Income</b>	<b>160</b>	<b>173</b>	<b>174</b>	<b>1</b>

## 5 - Other expenditure and items for disclosure

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Insurance	588	609	762	153
Disaster fund insurance	247	255	286	31
Audit fees	125	129	126	(3)
Audit fees - LTP	0	0	0	0
Rental	244	253	236	(17)
Loss on sale of assets	813	643	461	(182)
Rates remissions - sports clubs and other non-profit bodies	95	99	95	(4)
Penalty remissions	18	18	18	0
Consultants	684	708	735	27
Printing, photocopying and stationary	289	300	295	(5)
Telephone rental, mobile and tolls	177	183	156	(27)
Motor vehicle expenses	316	326	306	(20)
Electricity/ gas energy costs (includes street lighting)	827	861	851	(10)
Rates on UHCC properties	1,498	1,550	1,645	95
Land transport general maintenance	1,254	1,408	1,394	(14)
Water reticulation maintenance	559	578	565	(13)
Sewer maintenance	585	490	474	(16)
Drain maintenance	267	287	279	(8)
Other costs	9,792	12,262	12,346	84
<b>Total other expenses</b>	<b>18,378</b>	<b>20,959</b>	<b>21,030</b>	<b>71</b>



## 6 – Cash and cash equivalents

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Cash on hand	4	4	3	(1)
Bank Balances (overdrafts)	104	227	380	153
Call account	300	300	300	0
Short term deposits maturing three months or less from data of acquisition	0	0	0	0
<b>Total Cash and Cash Equivalents</b>	<b>408</b>	<b>531</b>	<b>683</b>	<b>152</b>

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 (2013), \$600,000 (2012). 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.

## 7 – Other financial assets

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Current Portion</b>				
<i>Loans and receivables</i>				
Short-term deposits with maturities of 4-12 months	6,455	6,467	7,253	786
<b>Total Current Portion</b>	<b>6,455</b>	<b>6,467</b>	<b>7,253</b>	<b>786</b>
<b>Non-Current portion</b>				
<i>Loans and receivables</i>				
PINS Security	7	7	0	(7)
<i>Fair Value through Equity- Unlisted Shares</i>				
Investment in Civic Assurance Ltd	26	26	46	20
Investment in Smartlinx <sup>3</sup> Ltd	30	30	30	0
Capacity	150	150	150	0
<b>Total Non-Current Portion</b>	<b>213</b>	<b>213</b>	<b>226</b>	<b>13</b>

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 2012.

There were no impairment provisions for other financial assets.

The estimated maturity dates for all financial assets with the exception of equity investments are as follows:

<b>Estimated maturity analysis and effective interest rates</b>	<b>Forecast Annual Plan Year 1 2012-13 (\$ 000)</b>	<b>Forecast LTP Year 2 2013-14 (\$ 000)</b>	<b>Forecast Annual Plan Year 2 2013-14 (\$ 000)</b>	<b>Forecast Variation Year 2 2013-14 (\$ 000)</b>
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	2.00%	2.00%	2.00%	0%
Short term deposits ( with maturities of 4-12 months or less)	6,455	6,467	7,253	786
Estimated Weighted average effective interest rate	2.00%	2.00%	2.00%	0%
PINS Security (maturity 31/01/2014)	7	7	0	(7)
Estimated Weighted average effective interest rate	0%	0%	0%	0%
Call account	300	300	300	0
Estimated Weighted average effective interest rate	2.50%	2.50%	2.50%	0%

## 8 – Derivative financial instruments

	<b>Forecast Annual Plan Year 1 2012-13 (\$ 000)</b>	<b>Forecast LTP Year 2 2013-14 (\$ 000)</b>	<b>Forecast Annual Plan Year 2 2013-14 (\$ 000)</b>	<b>Forecast Variation Year 2 2013-14 (\$ 000)</b>
<b>Current asset portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-current asset portion</b>	<b>9</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Current liability portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Non-current liability portion</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

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

## 9 - Trade and other receivables

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Rates receivable	727	752	742	(10)
Sundry debtors	1,091	1,125	1,110	(15)
Community loans	94	75	102	27
GST	339	351	346	(5)
Accrued revenue	806	834	822	(12)
Prepayments	212	219	216	(3)
	3,269	3,356	3,338	(18)
Less provision for impairment of receivables	(82)	(85)	(82)	3
<b>Total trade and other receivables</b>	<b>3,187</b>	<b>3,271</b>	<b>3,256</b>	<b>(15)</b>
<b>Less non-current portion:</b>				
Community loans	71	51	68	17
<b>Total non-current portion</b>	<b>71</b>	<b>51</b>	<b>68</b>	<b>17</b>
<b>Current portion</b>	<b>3,116</b>	<b>3,220</b>	<b>3,188</b>	<b>(32)</b>
Fair value has been determined using cashflows discounted at a rate of 2.5% to 7.25%				
<b>The fair value of community loans over the 10 years is:</b>	<b>94</b>	<b>75</b>	<b>102</b>	<b>27</b>
<b>The face value of community loans over the 10 years is:</b>	<b>94</b>	<b>19</b>	<b>116</b>	<b>97</b>

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.

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Movements in the provision for impairment of receivables and community loans</b>				
Opening balance as at 1 July	82	82	82	0
Additional provisions made during the year	7	3	0	(3)
Receivables written off during the period	(7)	0	0	0
<b>Closing balance as at 30 June</b>	<b>82</b>	<b>85</b>	<b>82</b>	<b>(3)</b>

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Estimated age of rates receivables</b>				
<b>The age of rates receivables overdue that have not been impaired are as follows:</b>				
Current 90 days over	625	650	637	(13)
1-2 years old	102	24	100	76
2-3 years old	0	5	5	0
Greater than 3 years old	0	73	0	(73)
<b>Carrying amount as at 30 June</b>	<b>727</b>	<b>752</b>	<b>742</b>	<b>(10)</b>

## 10a – Operational property, plant and equipment

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening cost/ valuation as at 1 July	50,307	55,379	57,402	2,023
Accumulated depreciation and impairment charge	(5,665)	(7,196)	(7,666)	(470)
<b>Opening Book Value as at 1 July</b>	<b>44,642</b>	<b>48,183</b>	<b>49,736</b>	<b>1,553</b>
Current years additions	1,286	668	1,528	860
Current years disposals	(20)	(20)	(251)	(231)
Current Year revaluation	3,806	194	4,392	4,198
Current Year depreciation	(1,531)	(1,663)	(1,621)	42
WIP transferred	0	0	0	0
<b>Closing book value as at 30 June</b>	<b>48,183</b>	<b>47,362</b>	<b>53,784</b>	<b>6,422</b>
Closing cost/ valuation	55,379	56,222	63,072	6,850
Closing accumulated depreciation	(7,196)	(8,860)	(9,288)	(428)
<b>Closing book value as at 30 June</b>	<b>48,183</b>	<b>47,362</b>	<b>53,784</b>	<b>6,422</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

## 10b – Restricted property, plant and equipment

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening cost/ valuation as at 1 July	32,339	35,336	33,236	(2,100)
Accumulated depreciation and impairment charge	(631)	(817)	(838)	(21)
<b>Opening book value as at 1 July</b>	<b>31,708</b>	<b>34,519</b>	<b>32,398</b>	<b>(2,121)</b>
Current years additions	346	265	59	(206)
Current years disposals	0	0	0	0
Current year revaluation	2,651	1,156	3,834	2,678
Current year depreciation	(186)	(209)	(197)	12
WIP transferred	0	0	0	0
<b>Closing book value as at 30 June</b>	<b>34,519</b>	<b>35,731</b>	<b>36,094</b>	<b>363</b>
Closing cost/ valuation	35,336	36,757	37,128	371
Closing accumulated depreciation	(817)	(1,026)	(1,034)	(8)
<b>Closing book value as at 30 June</b>	<b>34,519</b>	<b>35,731</b>	<b>36,094</b>	<b>363</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

## 11 – Infrastructure assets

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening cost/ valuation as at 1 July	542,252	553,497	571,139	17,642
Accumulated depreciation and impairment charge	(7,847)	(9,448)	(2,355)	7,093
<b>Opening book value as at 1 July</b>	<b>534,405</b>	<b>544,049</b>	<b>568,784</b>	<b>24,735</b>
Current years additions	9,553	11,995	10,693	(1,302)
Current years disposals	(812)	(643)	(461)	182
Current year revaluation	10,920	13,054	(1,326)	(14,380)
Current year depreciation	(10,017)	(10,291)	(10,427)	(136)
WIP transferred	0	0	0	0
<b>Closing book value as at 30 June</b>	<b>544,049</b>	<b>558,164</b>	<b>567,263</b>	<b>9,099</b>
Closing cost/ valuation	553,497	569,180	580,045	10,865
Closing accumulated depreciation	(9,448)	(11,016)	(12,782)	(1,766)
<b>Closing book value as at 30 June</b>	<b>544,049</b>	<b>558,164</b>	<b>567,263</b>	<b>9,099</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

## 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 co-ordination 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 31 December 2011. The valuation of these assets was independently reviewed by Colin Gerrard (BSc, MSc GIPENZ) associate director of AECOM (NZ) Limited.

Upper Hutt City Council has an equitable interest in the total asset of \$42.393M 2012, (\$36.082M 2011) which is recognised as part of Infrastructural assets.

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

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Drainage levy	2,537	2,596	2,711	115
Capital contributions	608	704	533	(171)
Trade waste income	(122)	(122)	(128)	(6)

### 13 – Trade and other payables

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Trade creditors	3,244	3,356	3,309	(47)
Rates In advance	403	417	411	(6)
Greater Wellington Regional Council rates	222	230	226	(4)
Fees in advance	850	879	867	(12)
Accrued interest payable	49	49	49	0
Payroll liability	106	110	108	(2)
Other liabilities	440	40	40	0
Deposits and trust accounts	1,086	1,086	1,086	0
<b>Total trade and other payables</b>	<b>6,400</b>	<b>6,167</b>	<b>6,096</b>	<b>(71)</b>
<b>Provisions weathertightness claims</b>	<b>422</b>	<b>22</b>	<b>22</b>	<b>0</b>

Four claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2012 (2011, 3)

These claims relate to weathertightness issues of homes in the Upper Hutt area and name the council as well as other parties.

A provision for these three claims has been established based at 20% on the actuarial assessment of claims based on historical average claim level and other information held. The Council has insurance in place that covers one claim.

## 14 – Employee entitlements

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Accrued pay	100	105	105	0
Annual leave	425	439	431	(8)
Sick leave	25	25	25	0
Long service leave	0	0	0	0
<b>Total current portion</b>	<b>550</b>	<b>569</b>	<b>561</b>	<b>(8)</b>
<b>Non current liabilities</b>				
Retirement and long service leave	175	181	179	(2)
<b>Total non-current portion</b>	<b>175</b>	<b>181</b>	<b>179</b>	<b>(2)</b>
<b>Total employee entitlements</b>	<b>725</b>	<b>750</b>	<b>740</b>	<b>(10)</b>

The present value of retirement and long service leave obligation depends on a number of factors that are determined in an actuarial basis. Two key assumptions used in calculating this liability include the discount rate and salary inflation factor. Any changes in these assumptions will affect the carrying amount of the liability.

A discount rate of 2.61% (2012 2.61%) and an inflation rate of 1% (2012 1%).

## 15 – Public debt

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening balance	25,513	24,972	24,923	(49)
Loans raised during the year	1,272	5,150	5,342	192
Less repayments during the year	(1,813)	(1,154)	(2,303)	(1,149)
Balance as at 30 June	24,972	28,968	27,962	(1,006)
Less current borrowings repayable in 12 months	(1,154)	(1,327)	(1,494)	(167)
<b>Closing balance for non-current borrowings</b>	<b>23,818</b>	<b>27,641</b>	<b>26,468</b>	<b>(1,173)</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

### Fixed-rate debt

Upper Hutt City Council's secured debt of \$15.1470M 2012 (\$7.584M 2011) is issued at fixed rates of interest.

### Floating-rate debt

Upper Hutt City Council's secured debt of \$10.809M 2012 (\$12.928M 2011) is issued at floating rates of interest

### Interest free loan

Upper Hutt City Council has no interest free loans

### Security

The overdraft is unsecured. The maximum amount that can be drawn against the overdraft facility is \$600,000 (2011 \$600,000). There are no restrictions on the use of this facility.

Council has a multi option credit line facility available to it; currently it is \$60,420 (Nil 2011).

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 \$30.208M as at 30 June 2012( \$24.258M 2011), under its Debenture Trust Deed. This stock has been issued to three banking institutions, as security for existing committed funds of \$25.956M 2012 (\$20.512M 2011) and uncommitted facilities available to the value of \$0.62M 2012 (\$0.62M 2011) and additional security stock is issued to cover all new debt.

These policies have been adopted as part of Upper Hutt City Council's Long Term Plan.

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Interest Expenses Rates</b>				

The weighted average interest rate on loans outstanding ( current and non-current) at 30 June is estimated as:

6.5%	6.1%	5.4%	-0.7%
------	------	------	-------

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.

## 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 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 Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening balance	240,590	238,568	240,846	2,278
Net operating surplus( deficit)	(2,579)	(3,478)	(3,830)	(352)
	238,011	235,090	237,016	1,926
<b>Transfer to:</b>				
Restricted reserves	(868)	(917)	(1,033)	(116)
Accounts restricted by law	0	0	0	0
Asset revaluation reserve on disposal of property, plant and equipment	0	0	0	0
	(868)	(917)	(1,033)	(116)
<b>Transfer from:</b>				
Restricted reserves	586	295	861	566
Accounts restricted by law	839	111	360	249
Asset revaluation reserve on disposal of property, plant and equipment	0	0	0	0
	1,425	406	1,221	815
<b>Closing balance as at 30 June</b>	<b>238,568</b>	<b>234,579</b>	<b>237,204</b>	<b>2,625</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

## 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 Plan (LTP) 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 LTP.

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.

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Restricted reserve funds</b>				
(A) Special funds	1,083	1,707	1,546	(161)
(B) Other accounts restricted by law	585	474	2,233	1,759
<b>Total restricted reserves</b>	<b>1,668</b>	<b>2,181</b>	<b>3,779</b>	<b>1,598</b>

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>(A) Special funds</b>				
Opening balance	801	1,083	1,375	292
Transfer from net surplus	836	874	985	111
Transfer from accumulated funds	0	0	0	0
Transfers from trust	0	0	0	0
Interest received	32	45	47	2
	1,669	2,002	2,407	405
Transfer to accumulated funds	0	0	0	0
Transfers to net surplus	(586)	(295)	(861)	(566)
<b>Total special funds balance as at 30 June</b>	<b>1,083</b>	<b>1,707</b>	<b>1,546</b>	<b>(161)</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

<b>Special Funds Closing balances as at 30 June consists of:</b>	<b>Forecast Annual Plan Year 1 2012-13 (\$ 000)</b>	<b>Forecast LTP Year 2 2013-14 (\$ 000)</b>	<b>Forecast Annual Plan Year 2 2013-14 (\$ 000)</b>	<b>Forecast Variation Year 2 2013-14 (\$ 000)</b>
General reserve <sup>1</sup>	2	2	1	(1)
Amenities fund <sup>2</sup>	350	398	370	(28)
Civic amenities fund <sup>2</sup>	0	0	1	1
Plant renewal <sup>3</sup>	29	187	85	(102)
Reserve fund contribution <sup>4</sup>	4	34	245	211
Cash in lieu parking <sup>5</sup>	2	2	2	0
Property sales <sup>6</sup>	45	50	48	(2)
Sierra Way subdivision <sup>7</sup>	115	118	119	1
Harcourt Park maintenance fund <sup>8</sup>	3	6	4	(2)
Akatarawa roading levy <sup>7</sup>	72	104	84	(20)
Kaitoke roading levy <sup>7</sup>	27	87	75	(12)
Mangaroa roading levy <sup>7</sup>	106	136	175	39
Katherine Mansfield levy <sup>7</sup>	80	161	78	(83)
Blue Mountain levy <sup>7</sup>	93	165	73	(92)
Moonshine Hill levy <sup>7</sup>	34	54	23	(31)
Alexander Road levy <sup>7</sup>	83	164	83	(81)
Swamp Road levy <sup>7</sup>	0	0	0	0
Library development <sup>9</sup>	0	0	0	0
Cemetery development <sup>9</sup>	0	0	0	0
Trench resealing levy <sup>10</sup>	38	39	39	0
Kurth Crescent development levy <sup>11</sup>	0	0	41	41
<b>Total special funds</b>	<b>1,083</b>	<b>1,707</b>	<b>1,546</b>	<b>(161)</b>

### Special Fund Purposes:

The Council has Special Funds to cover the following situations:

1. **General Reserve** – available for any appropriate purpose.
2. **Amenity Fund(s)** – available for lending at concessional rates to community groups for the development/construction of assets that will generate a benefit for the overall community.
3. **Plant Renewal** – funds allocated from rates to replace/upgrade plant assets in the activity charged with the original allocation.

4. **Reserve Fund Contributions** – contributions levied on the developers of sub-divisions which are used to maintain and increase council provided community assets or fund interest costs and loan repayments in relation to providing such assets.
5. **Cash in Lieu of Parking** – funds collected instead of requiring the provision of parking by developers and used for parking purposes.
6. **Property Sales** – profits generated by the sale of property and available to assist in the funding of council work programme.
7. **Roading Levies** – funds raised from sub-divisions in specific catchments and available for roading projects only in the catchment that provide the funds.
8. **Harcourt Park Maintenance** – funds collected from this activity and only available for approved maintenance purposes in that park.
9. **Library and Cemetery Development** – funds collected for or generated by the specific activity and only available for projects in that activity.
10. **Trench Resealing Levy** – funds collected to ensure the correct re-instatement of trenching work by third parties.
11. **Kurth Crescent Development levy** – funds to be collected from developers to provide stormwater upgrade in Kurth Crescent.

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>(B) Other accounts restricted by law</b>				
Opening balance	1,424	585	2,593	2,008
Transfer from net surplus	0	0	0	0
Transfer from accumulated funds	0	0	0	0
	1,424	585	2,593	2,008
Transfer to Accumulated Funds	(839)	(111)	(360)	(249)
Transfers to net surplus	0	0	0	0
<b>Total other accounts restricted by law as at 30 June</b>	<b>585</b>	<b>474</b>	<b>2,233</b>	<b>1,759</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.



	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>(B) Other accounts restricted by law</b>				
Dog control account	37	16	22	6
Water rate account	180	90	283	193
Stormwater rate account	327	327	1,023	696
Wastewater rate account	41	41	905	864
<b>Total other accounts restricted by law</b>	<b>585</b>	<b>474</b>	<b>2,233</b>	<b>1,759</b>

## 19 – Asset revaluation reserves

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
Opening balance	347,313	364,690	385,878	21,188
Change in asset revaluation	17,377	14,404	6,900	(7,504)
Less revaluation attributed to assets sold	0	0	0	0
<b>Closing balance as at 30 June</b>	<b>364,690</b>	<b>379,094</b>	<b>392,778</b>	<b>13,684</b>
<b>Consists of :-</b>				
General asset revaluation reserve	31,306	32,656	33,190	534
Land asset revaluation reserve	22,574	22,574	22,195	(379)
Roading asset revaluation reserve	97,445	99,883	104,206	4,323
Stormwater asset revaluation reserve	71,941	75,010	80,446	5,436
Hutt Valley Wastewater Scheme	27,139	27,139	26,186	(953)
Wastewater asset revaluation reserve	64,897	68,872	68,978	106
Water asset revaluation reserve	49,388	52,960	57,577	4,617
<b>Total asset revaluation reserves</b>	<b>364,690</b>	<b>379,094</b>	<b>392,778</b>	<b>13,684</b>

The opening balance of year two (2013-2014) may not agree to closing balance of year one (2012-2013) due to Council taking into account events occurring this year.

## 20 - Contingencies

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Contingent Liabilities</b>				
(A) Guarantees	0	0	2,150	2,150
(B) Other Legal Proceedings	2,119	119	278	159
<b>Total Contingent Liabilities</b>	<b>2,119</b>	<b>119</b>	<b>2,428</b>	<b>2,309</b>

### 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 or LAPP.

The Council owns significant infrastructural assets. In a catastrophe local authorities are required to meet 40% of the cost of the damage to these assets and central government will meet the other 60%. The contribution from central government is contingent on local authorities having a mechanism in place to fund their 40% share. Many councils, including Upper Hutt, have chosen to do this through membership of LAPP (Local Authority Protection Programme).

LAPP's funding was exhausted by the Christchurch earthquakes and it is now focused on rebuilding the fund. In order to do this the LAPP trustees decided, after consulting members, to introduce a degree of mutual liability to the operation of the fund.

In the event that claims from an event (in any member council's area) exhaust the fund again LAPP will have the ability to require all the member councils to contribute up to five times their annual premium per event, for up to two events in any one year, towards any claim shortfall.

For Upper Hutt City Council this represents a contingent liability of up to \$1,075,000 for one event or up to \$2,150,000 for two events (2011 Nil).

### Unquantified claims

Upper Hutt City Council has nine claims outstanding; six have proceedings issued on them. (2011 six claims, four proceedings)

### Contingent assets

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

The clubs 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 Statement of Financial Position.

As at 30 June 2012 there are 34 facilities having an approximate value of \$7.045 million (2011 35 facilities - \$8.126 million). This estimate has been based on government valuations for the area.

## 21 – Discontinued activities

In the previous LTP 2009-2019 Activation ceased in the fifth year 2013/14. In this LTP 2012-2022 Activation cost centre continues, no other activity ceases during this LTP.

## 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

In accordance with Section 100 of the Local Government Act 2002, Council must ensure that each year's projected operating revenues are set at a level sufficient to meet that years projected operating expenses. However, council may set projected operating revenues at a different level from that required by section 100 if it resolves that it is financially prudent to do so, having regard to:

- the estimated expenses of achieving and maintaining the predicted levels of service provision set out in the Long Term Plan (LTP), including the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- the projected revenue available to fund the estimated expenses associated with maintaining the service capacity and integrity of assets throughout their useful life; and
- the equitable allocation of responsibility for funding the provision and maintenance of assets and facilities throughout their useful life; and
- the funding and financial policies adopted under section 102.

As covered in Council's 2012-2022 Long Term Plan, Revenue and Financing Policy, Council has not funded depreciation as a separate fund. For that reason operating revenues do not cover operating expenses, including depreciation for most years of the plan i.e. the Council will run operating deficits. Operating revenues are set at such a level that they cover direct operating expenses (excluding depreciation), capital renewals for infrastructure, loan repayments and interest.

## 24 – Inflation

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Compounding Average General Inflation rate</b>	0.00%	3.46%	0.00%	(3.46%)
<b>General Inflation per Year</b>	0.00%	3.46%	0.00%	(3.46%)
<b>Previous LTCCP per year</b>	0.00%	2.65%	0.00%	(2.65%)

Council uses the BERL Local government inflation indices rather than CPI as these are more in line with our business sector unless there is a specific reason not to. 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, Section 4 Policies, in the LTP 2022.

## 25 – Reconciliation of surplus before appropriation to cashflow from operating activities

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)	Forecast Variation Year 2 2013-14 (\$ 000)
<b>Surplus/ (Deficit) Before Appropriations</b>	(2,579)	(3,478)	(3,830)	(352)
<b>Add Non-Cash Items</b>				
Depreciation	11,734	12,163	12,245	82
Vested Assets	(2,237)	(2,294)	(2,289)	5
Community loans interest amortisation	(14)	(14)	(3)	11
Increase/(Decrease) in Bad Debts	0	3	(3)	(6)
Loss on Derivative	0	0	0	0
Gain on Derivative	(9)	(9)	0	9
Amortisation of Premium	0	0	0	0
	<b>9,474</b>	<b>9,849</b>	<b>9,950</b>	<b>101</b>
<b>Add/Less Items Classified as Investing or Financing Activities</b>				
Loss on disposal of Fixed Assets	813	643	461	(182)
Profit on sale of Fixed Assets	0	0	0	0
	813	643	461	(182)
<b>Movements in Working Capital Items</b>				
(Increase)/Decrease in Trade Receivables	(94)	(88)	17	105
(Increase)/Decrease in Inventories	0	0	0	0
Increase /(Decrease) in Employee Entitlements	0	25	(11)	(36)
Increase/(Decrease) in Trade and Other Payables	400	(233)	(70)	163
	306	(296)	(64)	232
<b>Net Inflow /(Outflow) from Operating Activities</b>	<b>8,014</b>	<b>6,718</b>	<b>6,517</b>	<b>(201)</b>

# Schedule of special funds

	LTP 2013-2014 YEAR				Annual Plan 2013-2014 YEAR				Variation Balance Year 2 30/06/14 (\$ 000)					
	Forecast Balance Year 2 1 July 2013 (\$ 000)	Forecast Transfers Year 2 In (\$ 000)	Forecast Interest Year 2 Income (\$ 000)	Forecast Transfers Year 2 Out (\$ 000)	Forecast Balance Year 2 1/7/2013 (\$ 000)	Forecast Transfers Year 2 In (\$ 000)	Forecast Interest Year 2 Income (\$ 000)	Forecast Transfers Year 2 Out (\$ 000)		Forecast Balance Year 2 30/06/14 (\$ 000)				
General reserve	2	0	0	0	2	0	0	0	1	1	(1)			
Amenities fund	350	37	11	0	398	37	12	0	321	37	12	0	370	(28)
Civic amenities fund	0	0	0	0	0	0	0	0	1	0	0	0	1	1
Plant renewal	29	170	3	(15)	187	171	5	(336)	245	171	5	(336)	85	(102)
Reserve fund contribution	4	310	0	(280)	34	310	9	(416)	342	310	9	(416)	245	211
Cash in lieu parking	2	0	0	0	2	0	0	0	2	0	0	0	2	0
Property sales	45	0	5	0	50	110	5	(109)	42	110	5	(109)	48	(2)
Sierra Way subdivision	115	0	3	0	118	0	3	0	116	0	3	0	119	1
Harcourt Park maintenance fund	3	3	0	0	6	3	0	0	1	3	0	0	4	(2)
Akatarawa roading levy	72	29	3	0	104	29	2	0	53	29	2	0	84	(20)
Kaitoke roading levy	27	58	2	0	87	58	1	0	16	58	1	0	75	(12)
Mangaroa roading levy	106	26	4	0	136	26	5	0	144	26	5	0	175	39
Katherine Mansfield levy	80	77	4	0	161	77	1	0	0	77	1	0	78	(83)
Blue Mountain levy	93	68	4	0	165	68	1	0	4	68	1	0	73	(92)
Moonshine hill levy	34	19	1	0	54	19	0	0	4	19	0	0	23	(31)
Alexander Road levy	83	77	4	0	164	77	1	0	5	77	1	0	83	(81)
Swamp Road levy	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Library development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Cemetery development	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Trench resealing levy	38	0	1	0	39	0	1	0	38	0	1	0	39	0
Kurth Crescent development levy	0	0	0	0	0	0	0	0	40	0	1	0	41	41
<b>Total special funds</b>	<b>1,083</b>	<b>874</b>	<b>45</b>	<b>(295)</b>	<b>1,707</b>	<b>985</b>	<b>47</b>	<b>(861)</b>	<b>1,375</b>	<b>985</b>	<b>47</b>	<b>(861)</b>	<b>1,546</b>	<b>(161)</b>

## Performance ratios

		Annual Plan Forecast Year 1 2012-13	LTCCP Forecast Year 2 2013-14	Annual Plan Forecast Year 2 2013-14
<b><u>Liquidity ratios:</u></b>				
These ratios measures the council's ability to meet its maturing short term obligations				
<b>-Current ratio</b>	Times	1.2 :1	1.3 :1	1.4 :1
This ratio measures the council ability to pay off short term obligations.				
<b><u>Leverage ratios:</u></b>				
This ratio measures the extent to which the council has been financed by debt.				
<b>-Debt ratio</b>	%	5.0%	5.5%	5.2%
This ratio, of total debt to total assets, measures the percentage of total funds provided by liabilities				
<b><u>Activity ratios:</u></b>				
This ratio measures how effectively the council is using its resources.				
<b>-Average collection period</b>	Days	27	26	26
This represents the average length of time the council must wait after making a charge before receiving payment.				
<b><u>Borrowing and investment policy ratios:</u></b>				
-Total interest expense will not exceed 10 percent of annual rates	%	4.8%	4.8%	4.7%
-Ratio of public debt to annual rates and levies will not exceed 150 percent	Times	59.0%	64.3%	62.3%
-Public debt per assessable ratepayer properties will not exceed \$2,500	\$	\$1,513	\$1,738	\$1,696
-Public debt per capita will not exceed \$1,000.	\$	\$602	\$698	\$674

# Funding impact statement

## Funding impact statement for groups of activities

All the following Funding Impact Statements (FIS) are in a format prescribed by regulation and are not GAAP compliant. The intention is to show how the operational and capital expenditure of the Council is funded. Some items included in the Statement of Comprehensive Income are excluded and some items not in the Statement of Comprehensive Income are included. Specifically capital expenditure is included in the FIS, as is transfers to and from special funds and loan receipts and repayments. Depreciation, loss on disposal of fixed assets and other (minor) non-cash items are excluded from the FIS as they are not funded. "APlan" indicates Annual Plan.

**All activities**

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	17,239	18,368	18,163
Targeted rates (other than a targeted rate for water supply)	12,728	13,422	13,256
Subsidies and grants for operating purposes	1,360	1,315	1,334
Fees, charges and targeted rates for water supply	5,766	6,034	7,151
Local authority fuel tax, fines, infringement fees, and other receipts	964	991	935
<b>Total Sources of Operating Funding (A)</b>	<b>38,057</b>	<b>40,130</b>	<b>40,839</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	30,609	34,097	34,440
Finance costs	1,454	1,547	1,478
Other operating funding applications	158	163	163
<b>Total Applications of Operating Funding (B)</b>	<b>32,221</b>	<b>35,807</b>	<b>36,081</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>5,836</b>	<b>4,323</b>	<b>4,758</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	1,540	2,206	1,327
Development and financial contributions	332	354	354
Increase/(decrease) in debt	446	4,008	3,050
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>2,318</b>	<b>6,568</b>	<b>4,731</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	31
- to improve the level of service	2,581	4,077	3,561
- to replace existing assets	6,364	6,557	6,345
Increase/(decrease) in reserves	(791)	257	(448)
Increase/(decrease) of investments	0	0	0
<b>Total Applications of Capital Funding (D)</b>	<b>8,154</b>	<b>10,891</b>	<b>9,489</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(5,836)</b>	<b>(4,323)</b>	<b>(4,758)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Leadership

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	2,129	2,342	2,243
Targeted rates (other than a targeted rate for water supply)	53	106	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	0	72	73
Internal charges and overheads recovered	30	34	27
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>2,212</b>	<b>2,554</b>	<b>2,343</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	759	959	885
Finance costs	0	0	0
Internal charges and overheads applied	1,453	1,595	1,458
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>2,212</b>	<b>2,554</b>	<b>2,343</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) of investments	0	0	0
<b>Total Applications of Capital Funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Land transport

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	4,808	5,132	5,200
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	1,134	1,169	1,108
Fees, charges and targeted rates for water supply	40	42	45
Internal charges and overheads recovered	101	109	85
Local authority fuel tax, fines, infringement fees, and other receipts	150	155	150
<b>Total Sources of Operating Funding (A)</b>	<b>6,233</b>	<b>6,607</b>	<b>6,558</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,882	3,131	3,200
Finance costs	330	379	362
Internal charges and overheads applied	1,050	1,111	1,057
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>4,262</b>	<b>4,621</b>	<b>4,619</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>1,971</b>	<b>1,986</b>	<b>1,969</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	1,540	2,206	1,327
Development and financial contributions	332	354	354
Increase/(decrease) in debt	81	1,670	1,448
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>1,953</b>	<b>4,230</b>	<b>3,129</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	24
- to improve the level of service	842	2,666	2,420
- to replace existing assets	2,848	3,196	2,300
Increase/(decrease) in reserves	234	354	354
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>3,924</b>	<b>6,216</b>	<b>5,098</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(1,971)</b>	<b>(1,986)</b>	<b>(1,969)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Water Supply

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	4,337	4,762	4,763
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	1,011	1,046	1,017
Internal charges and overheads recovered	82	78	75
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>5,430</b>	<b>5,886</b>	<b>5,855</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	3,787	4,065	4,074
Finance costs	40	36	34
Internal charges and overheads applied	758	783	763
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>4,585</b>	<b>4,884</b>	<b>4,871</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>845</b>	<b>1,002</b>	<b>984</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	28	5	(71)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>28</b>	<b>5</b>	<b>(71)</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	166	119
- to replace existing assets	963	931	894
Increase/(decrease) in reserves	(90)	(90)	(100)
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>873</b>	<b>1,007</b>	<b>913</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(845)</b>	<b>(1,002)</b>	<b>(984)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Wastewater**

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	6,158	6,270	6,221
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	132	132	139
Internal charges and overheads recovered	118	108	103
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>6,408</b>	<b>6,510</b>	<b>6,463</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	3,689	3,672	3,814
Finance costs	748	758	753
Internal charges and overheads applied	596	621	620
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>5,033</b>	<b>5,051</b>	<b>5,187</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>1,375</b>	<b>1,459</b>	<b>1,276</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	(175)	520	350
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>(175)</b>	<b>520</b>	<b>350</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	680	704	5
- to replace existing assets	1,200	1,275	1,804
Increase/(decrease) in reserves	(680)	0	(183)
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>1,200</b>	<b>1,979</b>	<b>1,626</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(1,375)</b>	<b>(1,459)</b>	<b>(1,276)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Stormwater

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates (other than a targeted rate for water supply)	2,180	2,284	2,272
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	0	0	0
Internal charges and overheads recovered	43	34	27
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>2,223</b>	<b>2,318</b>	<b>2,299</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	1,089	1,137	1,146
Finance costs	0	0	0
Internal charges and overheads applied	401	417	440
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>1,490</b>	<b>1,554</b>	<b>1,586</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>733</b>	<b>764</b>	<b>713</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	50	0	9
- to replace existing assets	733	764	754
Increase/(decrease) in reserves	(50)	0	(50)
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>733</b>	<b>764</b>	<b>713</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(733)</b>	<b>(764)</b>	<b>(713)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

**Rubbish and recycling**

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	(332)	(506)	(443)
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	631	652	590
Internal charges and overheads recovered	4	2	2
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>303</b>	<b>148</b>	<b>149</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	201	42	42
Finance costs	0	0	0
Internal charges and overheads applied	102	106	107
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>303</b>	<b>148</b>	<b>149</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Planning and regulatory services

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,513	2,038	1,967
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	1,740	1,801	1,722
Internal charges and overheads recovered	37	65	68
Local authority fuel tax, fines, infringement fees, and other receipts	250	259	250
<b>Total Sources of Operating Funding (A)</b>	<b>3,540</b>	<b>4,163</b>	<b>4,007</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	2,228	4,317	4,656
Finance costs	3	109	67
Internal charges and overheads applied	1,126	1,188	1,145
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>3,357</b>	<b>5,614</b>	<b>5,868</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>183</b>	<b>(1,451)</b>	<b>(1,861)</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital purposes	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	98	1,740	2,143
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>98</b>	<b>1,740</b>	<b>2,143</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	281	289	282
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>281</b>	<b>289</b>	<b>282</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(183)</b>	<b>1,451</b>	<b>1,861</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Community Services

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	1,362	1,460	1,403
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	188	107	188
Fees, charges and targeted rates for water supply	1	1	1
Internal charges and overheads recovered	15	15	18
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>1,566</b>	<b>1,583</b>	<b>1,610</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	978	1,026	1,066
Finance costs	10	19	10
Internal charges and overheads applied	363	386	400
Other operating funding applications	130	134	134
<b>Total Applications of Operating Funding (B)</b>	<b>1,481</b>	<b>1,565</b>	<b>1,610</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>85</b>	<b>18</b>	<b>0</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	350	(18)	350
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>350</b>	<b>(18)</b>	<b>350</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	410	0	410
- to replace existing assets	217	15	276
Increase/(decrease) in reserves	(192)	(15)	(336)
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>435</b>	<b>0</b>	<b>350</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(85)</b>	<b>(18)</b>	<b>0</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>



## Facilities

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	6,891	6,977	6,743
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	38	39	38
Fees, charges and targeted rates for water supply	2,195	2,272	3,565
Internal charges and overheads recovered	128	128	117
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>9,252</b>	<b>9,416</b>	<b>10,463</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	6,793	7,051	6,959
Finance costs	323	247	253
Internal charges and overheads applied	1,465	1,542	1,544
Other operating funding applications	29	29	29
<b>Total Applications of Operating Funding (B)</b>	<b>8,610</b>	<b>8,869</b>	<b>8,785</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>642</b>	<b>547</b>	<b>1,678</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	64	91	(1,171)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>64</b>	<b>91</b>	<b>(1,171)</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	7
- to improve the level of service	599	542	598
- to replace existing assets	403	376	317
Increase/(decrease) in reserves	(296)	(280)	(415)
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>706</b>	<b>638</b>	<b>507</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>(642)</b>	<b>(547)</b>	<b>(1,678)</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Economic development

	Forecast Annual Plan Year 1 2012-13 (\$ 000)	Forecast LTP Year 2 2013-14 (\$ 000)	Forecast Annual Plan Year 2 2013-14 (\$ 000)
<b>Sources of Operating Funding</b>			
General rates, uniform annual general charges, rates penalties	870	925	1,050
Targeted rates (other than a targeted rate for water supply)	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees, charges and targeted rates for water supply	15	16	0
Internal charges and overheads recovered	6	6	12
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
<b>Total Sources of Operating Funding (A)</b>	<b>891</b>	<b>947</b>	<b>1,062</b>
<b>Applications of Operating Funding</b>			
Payments to staff and suppliers	720	766	874
Finance costs	0	0	0
Internal charges and overheads applied	171	181	188
Other operating funding applications	0	0	0
<b>Total Applications of Operating Funding (B)</b>	<b>891</b>	<b>947</b>	<b>1,062</b>
<b>Surplus/(Deficit) of Operating Funding (A-B)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Sources of Capital Funding</b>			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase/(decrease) in debt	0	0	0
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
<b>Total Sources of Capital Funding (C)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Applications of Capital Funding</b>			
<b>Capital expenditure</b>			
- to meet additional demand	0	0	0
- to improve the level of service	0	0	0
- to replace existing assets	0	0	0
Increase/(decrease) in reserves	0	0	0
Increase/(decrease) of investments	0	0	0
<b>Total Applications of capital Funding (D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Surplus/(Deficit) of Capital Funding (C-D)</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Funding Balance ((A-B)+(C-D))</b>	<b>0</b>	<b>0</b>	<b>0</b>

## Differential and targeted rating schedule

This schedule defines the detail that will apply for the 2013 – 2014 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 or more 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 2013 – 2014 Council will apply the following differential factors:

Differential Rating Group <sup>1</sup>	Factor
Standard	100
Residential High Value <sup>2</sup>	Scaled factor from 99.91 to 59.82
Rural <sup>3</sup>	73
Rural High Value <sup>3</sup>	Scaled factor from 72.48 to 59.82
Business <sup>4</sup>	265
Utilities <sup>4</sup>	275

### NOTES

- The categories are as defined in this document.
- Refer to the Residential High Value Sub-group Table below for the scaled factors.
- Council reviewed the Rural 33 differential rating category in December 2010 and will maintain the existing differential factor for general rates levied from this category in 2013 – 2014. In 2013 – 2014 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.
- Council reviewed the Business and Utilities differential rating categories in December 2010 and will maintain the individual relativity of general rates levied from those categories.

High Value Sub-group Residential/Rural	Capital Value Range		Differential Factor
101 / 201	1,025,000	1,049,999	99.91
106 / 206	1,050,000	1,074,999	97.77
111 / 211	1,075,000	1,099,999	95.73
116 / 216	1,100,000	1,124,999	93.78
121 / 221	1,125,000	1,149,999	91.92
126 / 226	1,150,000	1,174,999	90.14
131 / 231	1,175,000	1,199,999	88.43
136 / 236	1,200,000	1,224,999	86.80
141 / 241	1,225,000	1,249,999	85.23
146 / 246	1,250,000	1,299,999	83.73
151 / 251	1,300,000	1,399,999	80.89
156 / 256	1,400,000	1,449,999	75.83
161 / 261	1,450,000	1,474,999	73.56
166 / 266	1,475,000	1,524,999	72.48
171 / 271	1,525,000	1,549,999	70.43
176 / 276	1,550,000	1,649,999	69.46
181 / 281	1,650,000	1,699,999	65.85
186 / 286	1,700,000	1,749,999	64.21
191 / 291	1,750,000	1,849,999	62.66
196 / 296	1,850,000	over	59.82

**NB:** Qualifying High Value properties in rural differentials 31, 32, and 33 have been placed in the appropriate "200" series sub-group for administrative convenience (refer to item 2 under differential definitions).

## 2. Targeted Rates

### 2.1. Water

For 2013 – 2014 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% 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% of the full "serviced" rate will be made.
- Of the total revenue, required for the water supply service, 60% 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 supplied with water and is situated within 100 metres of any part of the water works ("a serviceable property") 50% of the full "serviced" uniform annual charge will apply.
- Of the total revenue, required for the water supply service, 20% 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 2013 – 2014 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 pan 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 2013 – 2014 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 2013 – 2014 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 \$2,177 (inclusive of GST) and 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 2013 – 2014.

## Differential definitions

For 2013 – 2014 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 or part rating unit will be allocated to the Rural Category for rating purposes to the extent that:-

- 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 or part rating unit will be allocated to the Rural High Value Category for rating purposes to the extent that:

- 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 or part rating unit will be allocated to the Utilities Category for rating purposes to the extent that:-

- 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 or part 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 or part 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:

- 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 or part 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 or part 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 or part rating unit will be allocated to the Standard Category to the extent that it does not meet all of the criteria for inclusion in any other category.

## **Rates remission**

For 2013 – 2014 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 subdivisions 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

## Definition of “Separately Used or Inhabited Parts” of a rating unit

Separately used or inhabited parts of a rating unit shall be such parts of a property that can be separately used or occupied in addition to the principal habitation or use, except where the use of the part is ancillary to principal use. In the situation where a rating unit contains both commercial or industrial uses, and a residential or agricultural use, they will be treated as two or more separate uses except where the residential part is occupied for the purposes of the principal use of the rating unit.

For example:

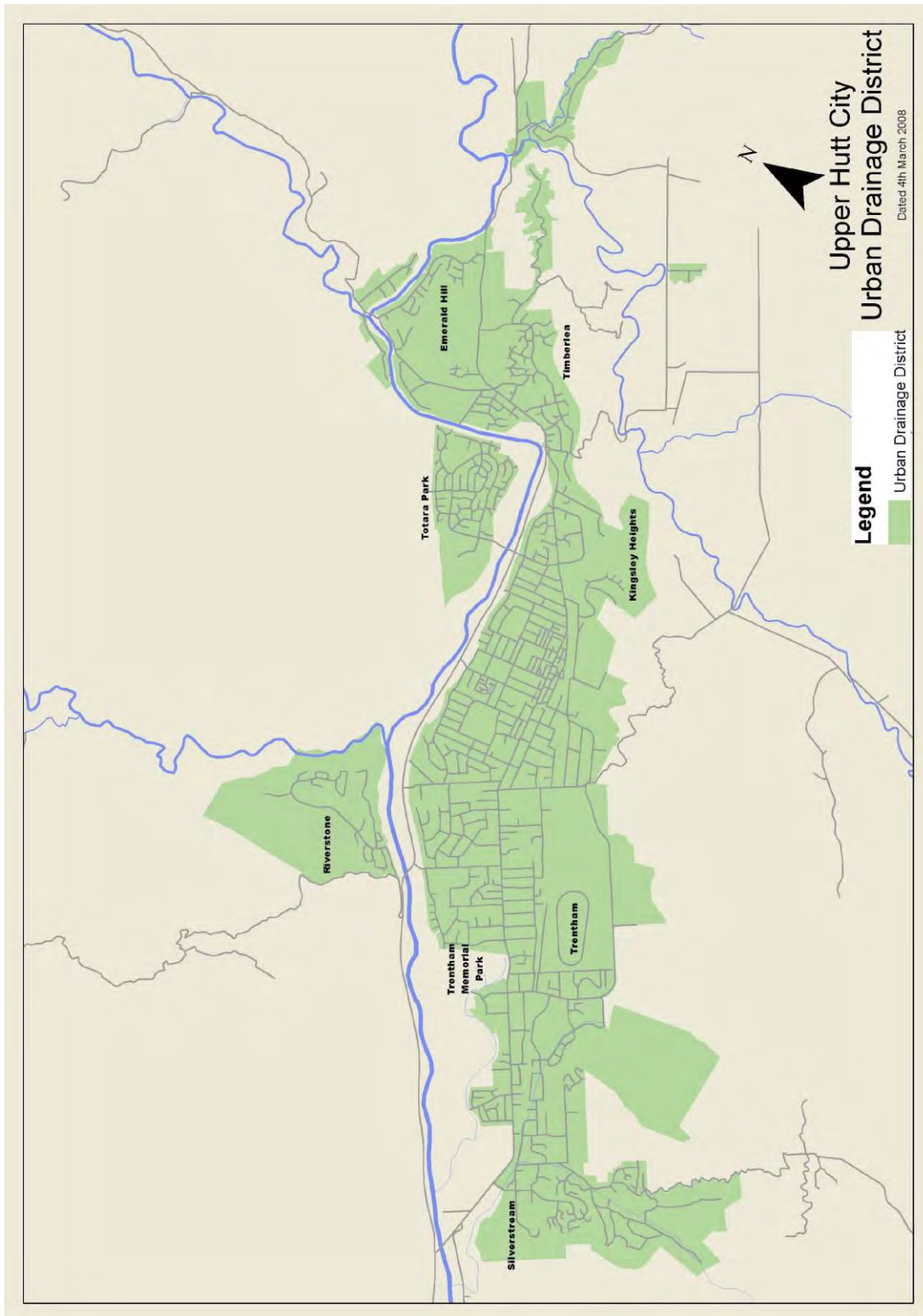
### Not separately used parts of a rating unit:

- a residential sleep-out to “granny flat” without independent kitchen facilities
- an hotel room with or without independent kitchen facilities
- a motel room with or without independent kitchen facilities
- rooms in a residential dwelling or hostel with common kitchens
- Separately leased commercial areas with shared access reception or other facilities.

**These are separately used parts of a rating unit:**

- Flats, apartments and other residential units with independent kitchen facilities
- Separately leased commercial access, sanitary or other facilities.

**Upper Hutt urban drainage 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	521	782	1,042	1,303	1,564
Water – uniform charge	259	259	259	259	259
Water - fire protection	50	76	101	126	151
Stormwater	95	143	190	238	285
Wastewater	414	414	414	414	414
<b>Total indicative rates [Upper Hutt City]<sup>1</sup></b>	<b>1,339</b>	<b>1,674</b>	<b>2,006</b>	<b>2,340</b>	<b>2,673</b>

## Indicative rates – business<sup>2</sup>

	CV \$500,000	CV \$700,000	CV \$900,000	CV \$1,000,000	CV \$1,200,000
General rates	3,453	4,834	6,216	6,906	8,287
Water – uniform charge	259	259	259	259	259
Water - fire protection	126	176	227	252	302
Stormwater	333	466	599	665	798
Wastewater	1,242	1,242	1,242	1,242	1,242
<b>Total indicative rates [Upper Hutt City]<sup>1</sup></b>	<b>5,413</b>	<b>6,977</b>	<b>8,543</b>	<b>9,324</b>	<b>10,888</b>

## Indicative rates – rural

	CV \$500,000	CV \$700,000	CV \$900,000	CV \$1,000,000	CV \$1,200,000
General rates	\$951	\$1,332	\$1,712	\$1,902	\$2,283
<b>Total indicative rates [Upper Hutt City]<sup>1</sup></b>					

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

<sup>2</sup> Includes one water connection and three pan charges



# Elected Members

## Council YOUR MAYOR AND COUNCILLORS



### His Worship the Mayor Wayne Guppy, JP

Upper Hutt City Council  
Private Bag 907, Upper Hutt  
TELEPHONE: (04) 527 2189 [w], (04) 527 8331 [H]  
FAX: (04) 527 2128  
MOBILE: 027 277 1550  
FACEBOOK: [www.facebook.com/mayor.wayneguppy](http://www.facebook.com/mayor.wayneguppy)

### Peter McCardle—DEPUTY MAYOR

8 Dowling Grove  
Silverstream, Upper Hutt  
TELEPHONE: (04) 970 3896  
FAX: (04) 970 3896  
EMAIL: [p.and.a.mccardle@paradise.net.nz](mailto:p.and.a.mccardle@paradise.net.nz)



### Mary Archibald

61 Lane Street  
Wallaceville, Upper Hutt  
TELEPHONE: (04) 527 0144  
FAX: (04) 527 0143  
MOBILE: 027 306 0559  
EMAIL: [maryarchibald@xtra.co.nz](mailto:maryarchibald@xtra.co.nz)

### Pat Christianson ONZM, JP

113 Pinehaven Road,  
Pinehaven, Upper Hutt  
TELEPHONE/FAX: (04) 528 2710  
EMAIL: [pjc.pinehaven@xtra.co.nz](mailto:pjc.pinehaven@xtra.co.nz)



### Nellie Gillies

6 Tiniroa Grove  
Silverstream, Upper Hutt  
TELEPHONE/FAX: (04) 971 8340  
EMAIL: [gillies.family@paradise.net.nz](mailto:gillies.family@paradise.net.nz)

### John Gwilliam

26D Chatsworth Road,  
Silverstream, Upper Hutt  
TELEPHONE: (04) 527 9727  
FAX: (04) 527 9723  
MOBILE: 027 527 9727  
EMAIL: [john@jgwilliam.co.nz](mailto:john@jgwilliam.co.nz)



### Glenn McArthur

3 Streets Way,  
Upper Hutt  
TELEPHONE: (04) 527 7221 [w], (04) 526 4184 [H]  
MOBILE: 027 542 9308  
EMAIL: [glmca@xtra.co.nz](mailto:glmca@xtra.co.nz)

### Dean Rabbitt

13 Black Beech Street  
Birchville, Upper Hutt  
MOBILE: 021 0828 7283  
EMAIL: [drabbitt@xtra.co.nz](mailto:drabbitt@xtra.co.nz)



### Hellen Swales

28D Marlborough Street,  
Silverstream, Upper Hutt  
MOBILE: 027 528 6799  
EMAIL: [hellen.swales@slingshot.co.nz](mailto:hellen.swales@slingshot.co.nz)

### Nick Thomas

78 Martin Street  
Upper Hutt  
TELEPHONE: (04) 528 7588 [w], (04) 528 7588 [H]  
MOBILE: 027 497 5290  
EMAIL: [nfflooring@xtra.co.nz](mailto:nfflooring@xtra.co.nz)



### Dave Wheeler

37A Heretaunga Square,  
Heretaunga, Upper Hutt  
TELEPHONE/FAX: (04) 528 2254  
MOBILE: 027 769 2390  
EMAIL: [wheeler.dave@xtra.co.nz](mailto:wheeler.dave@xtra.co.nz)

# Organisation chart



**Diane du Toit**  
**HUMAN RESOURCES MANAGER**  
 Diversity policies  
 HR Policies  
 Learning and development  
 OSH – Occupational Health and Safety  
 Recruitment



**Chris Upton**  
**Chief Executive**

**Kerrie Falconer**  
**EXECUTIVE ASSISTANT TO THE MAYOR**  
 Democratic Services

**Toni Neale**  
**EXECUTIVE ASSISTANT TO THE CHIEF EXECUTIVE**  
 Executive support services

**Lachlan Wallach**  
**ASSET MANAGEMENT AND OPERATIONS DIRECTOR**  
 Engineering  
 Emergency response

**Tamsin Somerville**  
**BUSINESS DEVELOPMENT SERVICES DIRECTOR**  
 Corporate Policy  
 Strategic Planning

**Andrea Curtis**  
**COMMUNITY SERVICES DIRECTOR**  
 Central Government liaison  
 Expressions

**Ian Johnson**  
**CORPORATE SERVICES DIRECTOR**  
 Insurances

**Richard Harbord**  
**PLANNING AND REGULATORY SERVICES DIRECTOR**

**Jeffrey Haste**  
**ENGINEERING CONSENTS TEAM LEADER**  
 Contract safety  
 Solid waste  
 Subdivisions

**Mark Futter**  
**ECONOMIC DEVELOPMENT MANAGER**  
 Business liaison

**Debbie Duncan**  
**COMMUNITY SERVICES MANAGER**  
 Community development  
 Road safety education  
 Settlement support  
 City libraries  
 Community archives

**Wendy Lewin**  
**ADMINISTRATION MANAGER (Acting)**  
 Cafeteria services  
 Corporate Services administration  
 Records and archives

**John Hudson**  
**BUILDING CONTROL SERVICES MANAGER**  
 Building consents  
 Building Act compliance  
 Land Information Memoranda (LIM)  
 Project Information Memoranda (PIM)

**Brett Latimer**  
**PARKS AND RESERVES MANAGER**  
 Cemetery  
 City gardens  
 Parks and Reserves  
 Property  
 Sports grounds and amenities

**Anthea Armstrong**  
**MARKETING AND COMMUNICATIONS MANAGER**  
 City centre management  
 City promotion  
 Corporate communications  
 Marketing and events  
 Website

**Rachel Jury**  
**RECREATION SERVICES MANAGER**  
 Activation  
 Events  
 H2O Xstream

**Andrea Hilton**  
**CITY SOLICITOR**  
 Legal Services  
 Official Information Act requests (OIA)  
 Privacy Officer

**Glenn Wood**  
**COMPLIANCE SERVICES MANAGER**  
 Abandoned vehicles  
 Animal control  
 Environmental health (contracted to Hutt City Council)  
 Environmental Health Act – compliance and administration  
 Noise control  
 Parking enforcement

**Horace Parker**  
**ROADING MANAGER**  
 Fleet management  
 Footpaths  
 Passenger transport  
 Roading/ land transport  
 Road safety  
 Road asset management  
 Traffic

**SUSTAINABILITY ADVISOR**  
**Rod Boys**  
 Energy monitoring  
 Strategic policy advice and education

**Leanne Frew**  
**FINANCE MANAGER**  
 Accounts payable  
 Financial reporting  
 Management reporting  
 Purchasing  
 Rating  
 Revenue collection  
 Salaries and wages  
 Statutory reports  
 Treasury

**Andrea Millar**  
**RESOURCE CONSENTS AND COMPLIANCE MANAGER**  
 Resource consents  
 Resource Management Act compliance  
 Regulation of Brothels

**DRAINAGE AND WATER SUPPLY SERVICES**

**EMERGENCY MANAGEMENT/ RURAL FIRE**

**POLICY AND REPORTING**

**Steve Lock**  
**INFORMATION SYSTEMS MANAGER**  
 Computer services  
 Telecommunications

**Mitch Lewandowski**  
**PLANNING POLICY MANAGER**  
 District Plan  
 Section 35 monitoring