

UPPER HUTT CITY

Annual Report 2012 – 2013

Summary

1 JULY 2012 > 30 JUNE 2013



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Foreword

FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE

If we were to pick a theme for the 2012 – 2013 year, it would be community. Our aim was to work closer with our community, better responding to their needs, while continuing to exercise prudence, in light of the ongoing global financial climate. It has been a tricky year, finding the right balance between the provision of services and balancing the books – but we have done it. And we are pleased to announce that we had a year full of wonderful new initiatives and generated a small rating surplus!

We saw the completion of Stage 2 of the Maidstone Park Sports Centre, a project that cost over \$4 million and took over one year to complete. To date, the development has delivered two all-weather artificial hockey and rugby/soccer turfs, allowing for night and day play, along with renovated clubrooms and a practice turf. This sporting hub is proving to be a valuable addition to the extending range of sporting and recreational facilities available within our community.

Following public feedback, Council increasingly focussed its attention on our retail and business community. We embraced the opportunity to work closer with this group, encouraging unity and a strategic approach to attracting customers, visitors, and the commercial dollar to our businesses. This collaborative support is a long term commitment from Council, yet we have already delivered a number of exciting projects, including two Main Street events (the pre-Christmas movie night and March Madness) bringing in over 15,250 people to our city centre. Council also helped facilitate the establishment of a number of new commercial businesses in the city, including Envirocomp and Quick Circuit. We also showcased the city and potential sites to multiple hotel franchises.

Our city centre appeal will become increasingly important in the coming years, as Upper Hutt plays a key role in the National Cycleway. Being the gateway to 'A Great Ride,' the Rimutaka Cycle Trail connects Upper Hutt to the Wairarapa. This trail is set to be one of the jewels in the crown of this nationwide cycleway, and has already received glowing endorsements from Tourism New Zealand. It is expected that cyclists from around the world will cycle this trail, creating an opportunity for them to further explore our city and its scenic beauty.

So it is with pride that we, on behalf of Council, present this Annual Report Summary. We hope you enjoy reading about how we have worked with our community this year, and what we have achieved together. We wish you, your family, and your community a happy and prosperous year ahead.

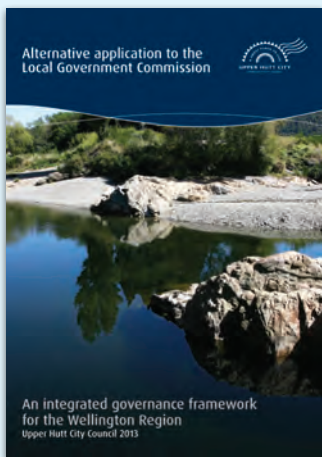
We delivered, we remained prudent, and we finished with a rating surplus!

Madistone Park Sports Centre Stage 2 development is complete and being well utilised.

We renewed our focus on retail and business.

Two Main Street events brought in over 15,250 people to our city centre, and we helped several businesses setup here.

Opportunity is widening as our prestigious natural assets become features of national and international significance.

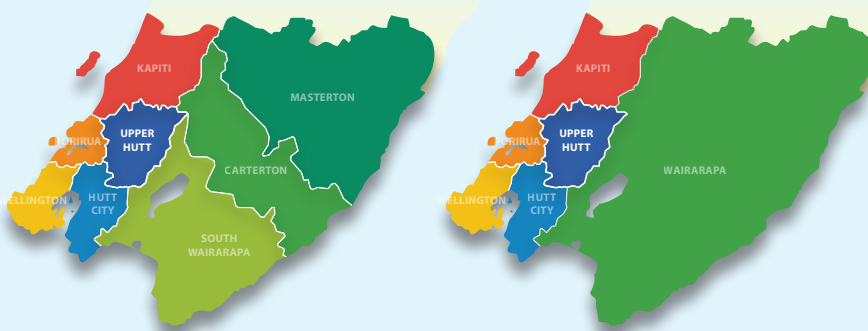


We defended our independence and argued compellingly for the regional governance model that our community told us they wanted.

REGIONAL GOVERNANCE

The most dominant subject for Council this year was local government reform, its associated implications, and potential outcomes. The consultation process generated an unprecedented result and very clearly articulated what our community wanted: to keep Upper Hutt as it is.

Based on this, and the factual evidence pertaining to the costs and benefits of amalgamations, Council has now submitted an alternative application to the Local Government Commission advocating for an enhanced status quo in the form of 'An Integrated Governance Framework for the Wellington Region.' The proposal preserves accessibility, accountability and genuine local democracy, while proposing changes to Council Controlled Organisations to achieve greater efficiency (cost savings) regionally.




A digital copy of the application can be found at www.upperhuttcity.com

KEY FINANCIAL EXPENDITURES THROUGHOUT THE YEAR

Council takes its fiscal responsibility seriously, particularly with respect to any proposed increase to rates. Upper Hutt has one of the lowest levels of residential rates and debt per capita in the Wellington region, and our first priority is to ensure Council's assets such as roads, pipes, footpaths, and lights are well maintained at all times. To this end in 2012 – 2013 we limited the number of new projects, and focussed spending on the maintenance of Council's assets such as those listed below:

- Roothing maintenance and asset renewals \$4,627,229
- Wastewater, water supply, and stormwater pipeline renewal \$2,711,000


W N Guppy | MAYOR


C B Upton | CHIEF EXECUTIVE

Our vision

MEASURING OUR VISION/OUTCOMES

Our vision statements provide the city and Council with an image of success. They informed and guided the development of the Long Term Plan. The vision is embodied through the services, initiatives and projects in Council's ten major activity areas. Key projects and initiatives undertaken by Council in 2012 – 2013 are identified below under each of the five vision pillars.

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.

- Actively encourage waste minimisation and water conservation.
- Ensure residential growth minimises environmental impact.
- Strongly promote outdoor recreation opportunities.

ACHIEVEMENTS THIS YEAR TO ENHANCE OUR ENVIRONMENT

Maidstone Park Sports Centre development

The official opening of Maidstone Park Sports Centre was held on 2 May 2013 in the renovated Maidstone Park Pavilion. The new all-weather artificial turfs and renovated clubrooms are proving popular for hockey, rugby, and soccer teams. Maidstone Park Trust Chair, Peter Thomas, thanked Council for its support of the project and for their vision of what the facility could be, over and above the initial ideas proposed.

Harcourt Park children's cycle track

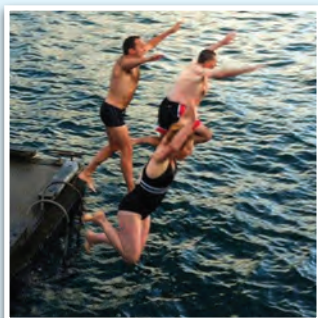
The long awaited children's cycle track was completed and has been available for the public to use since May 2013. Featuring road markings and signage, the track is proving to be a great place for children to learn to ride, and to understand the rules of the road in complete safety. The facility enhances a well-loved park, which already includes two adventure playgrounds, a flying fox, a paddling pool, disk golf, and an outdoor amphitheatre.

Waste minimisation

Council has advised a number of schools and organisations how to reduce their waste output as a result of Council led waste audits (e.g. HIBS, Plateau School, Orongomai Marae and internally at Council).

In addition, Upper Hutt moved to a user-pays wheelie bin system for kerbside recycling collection. The annual cost of recycling was removed from the rates, as using a wheelie bin for recycling offers a cleaner and more convenient service





that aims to encourage residents to recycle more and downsize their general waste. Encouragingly, under the new system the participating household recycling rate has increased 25% from 167 kg per year to 209 kg per year.

Water conservation

The 2012 – 2013 summer drought resulted in a total outdoor watering ban across the region. To help promote awareness of the ban and water situation, Council organised a number of initiatives that included live TV coverage on the Breakfast Show (of the region's mayors jumping into Wellington Harbour), newspaper notices and articles, billboards, flyers, and distribution of over 5,000 shower-flow measuring bags to school children and residents.

Sustainable Residential Growth

The Upper Hutt District Plan sustainably manages the effects of activities on our environment. It provides the rules for how people can build or develop the land they own (be it residential, commercial, or industrial). Council reviews it on a section-by-section basis—these are known as 'Plan Changes'.

PLAN CHANGES MADE OPERATIVE IN 2012 – 2013

PC18	Comprehensive Residential Development
PC29	Southern Hills Overlay and Protected Ridgeline Standards
PC24	Notable Tree Review
PC32	National Policy Statement – Electricity Transmission

RIVER RESTORATION

Toxic algae blooms in the Hutt River are a health hazard to dogs and people. Recent research suggests that nutrients are a key factor in the growth of the toxic algae in the Hutt River. The Greater Wellington Regional Council (GWRC) is responsible of the environmental guardianship of the Hutt River and Upper Hutt City Council is working with the GWRC to determine nutrient sources and what can be done about them.

IN-HOUSE SUSTAINABILITY

Council is taking steps to reduce its ecological footprint in-house.

This year Council invested in an electric bike for staff to use in place of a work vehicle when travelling to meetings and job sites around the city.

In addition, Council is making a number of changes to reduce our waste and energy usage. Council has continued to maintain its worm-farm, drastically reducing the amount of organic waste, which would otherwise go to landfill.



Upper Hutt City Council is working with the GWRC to improve the health of our river.

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.



- Improve access to support services and community facilities.
- Dedicated focus on community safety and intolerance of graffiti.
- Strongly promote local identity and heritage.

ACHIEVEMENTS THIS YEAR TO STRENGTHEN OUR COMMUNITY

General

- School travel planning with local schools to motivate children and parents to look for healthy, sustainable ways to get to and from school.
- Discouraging family violence in the community and the tolerance we have for violent behaviour through Council's ongoing local 'It's not OK' campaign.
- Working with youth to develop entrepreneurial talent through the Future Dragons programme.
- Golden Opportunities was successfully launched by the Library in response to the key findings of Council's Mature Residents Survey. Golden Opportunities is a schedule of programmes addressing health, safety, and social isolation issues that were identified in the survey.
- Working with community groups to reduce youth smoking, and the abuse of alcohol and other drugs.
- The 'Safer Communities, Working Together group' launched their first collaborative project, which has been Safe Hutt Valley approved. The project, TOP Timberlea, contributes towards our international safe city accreditation with the World Health Organisation.
- Continuation of the *DIScover* programme that aims to increase social inclusion of people with disabilities, by providing training that empowers services and frontline staff to better meet their needs.



Community Heritage

The City Library successfully launched its new interactive heritage database, Recollect at uhcl.recollect.co.nz. It provides easy online access to a rich store of local history relating to Upper Hutt, its people, and events.

The interactive website provides access to an extended range of material—over 15,000 photographs, and a large number of digitised publications with texts that can be searched and read online. Users can contribute their own knowledge and memories as well as create and share collections of their own.



Increased capacity in safety, crime prevention, and graffiti

The cost of graffiti eradication has significantly reduced this year as a result of a two-pronged approach. Council ensures that the graffiti is cleaned up quickly, and also uses the innovative 'Stop Tag' system. This system allows tags to be recorded and merged with data from throughout the region. The system enables offenders to be located, whilst also showing the number of offences, including dates and times, of a tagger's 'signature'. This results in stronger cases for Police prosecution, which acts as a stronger deterrent.



Chorus utility boxes

Residents of Upper Hutt are enjoying their changing landscape as vibrant artworks add colour and creativity to communications cabinets across the city.

Residents have approved wholeheartedly of the partnership between Chorus, Resene paints and Council, which saw most of the Chorus utility boxes throughout the city being decorated with artistic murals. As a result of the increased resources for graffiti prevention all utility box artworks have been painted with an anti-graffiti guard, which will ensure that they stay decorated and protected.

Close Circuit TV Cameras

A review of the city's CCTV camera locations was completed this year, resulting in a number of existing cameras being relocated to 'hot spots' in the city centre. These cameras run 24/7.



Aquatic wheelchair addition to H²O Xtream

H²O Xtream patrons with disabilities can now wheel their way into the pool thanks to the introduction of a new aquatic wheelchair. The pool staff are always focused on improving customer experiences for people with disabilities, while also removing barriers to pool access, and the new wheelchair fits the bill.

Mature residents survey results

The results of the Mature Residents Survey have highlighted some core issues for older adults that are challenging the prioritisation of how programmes are tailored to suit this demographic. It is paving the way for robust planning and the implementation of programmes for older adults. It has also gained the attention of Central Government and other external agencies.

Trentham Community House

In April 2013, the Trentham Community House in Merton Street officially opened. Owned and run by the *Trentham Community House Trust*, the house is a place where many agencies working within the community, can now be housed under one roof. The local community now has a hub for leadership, participation and an opportunity to help one another in activities and learning. The house is currently operating with two full time volunteers. Congratulations to all of the people for their strong commitment and who worked tirelessly over the last few years to achieve this vision.

Trentham Community House is a community hub for leadership, participation, support, and learning.

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 our 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.



- Create and improve unique public spaces and attractions.
- Celebrate culture and history in the city.
- Improve access and signage into city centre.

ACHIEVEMENTS THIS YEAR TO SUPPORT OUR CITY CENTRE

City gardens

Once again Council has ensured that the flower bed displays in and around the city centre are stunning. We would like to thank the many residents who take the time to give us their positive feedback about the outstanding displays of vibrant colour. The gardens certainly brighten up a grey winter's day.



There is never a day that I visit Upper Hutt for some errand or other without being delighted to view the lovely blooms set out so neatly and in such companionable colours.

Never have I heard anything but praise from other people when they visit the city.

They are a sight to behold.

We just wanted to say thank you for the beautiful gardens around the city, and for the well maintained parklands.

Great feature of our city... ..the colour, beauty, and imagination does help to lift our spirits.

A note of thanks—when I'm driving around Upper Hutt City, I am amazed at the beautiful gardens and this is much appreciated.

Upper Hutt i-SITE Visitor Information Centre

Since moving to Expressions Arts and Entertainment Centre, the Upper Hutt i-SITE Visitor Centre has gone from strength to strength and now proudly displays the Qualmark (official quality assurance) symbol. Following an extensive process the i-SITE was awarded an outstanding result of 91.2%, showing total commitment to customer satisfaction. Qualmark noted that it is uncommon for an i-SITE to receive anywhere near 90% or over. Congratulations to the dedicated team at the i-SITE.

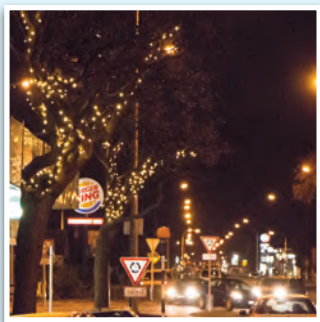
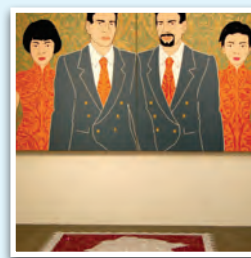
Expressions and the i-SITE offer free Wi-Fi and a newly renovated café—now open seven days a week.





Expressions Arts and Entertainment Centre

A great variety of visual and performing arts was offered this year at Expressions with over 72,000 visits to the Centre. This included the exhibition 'Pumpkin Cottage: Preserving our Artistic Heritage,' several other exhibitions showcasing local artists, and a number of hands-on public programmes for children. A range of live comedy, music, and theatre shows were presented in the Genesis Energy Theatre, including the annual *Queens Birthday Jazz and Blues Festival*. The Riverstone Recreation Hall hosted a wide range of activities ranging from unihoc to bowling, with the first annual craft fair *Well Made* proving popular.



Fairy lights

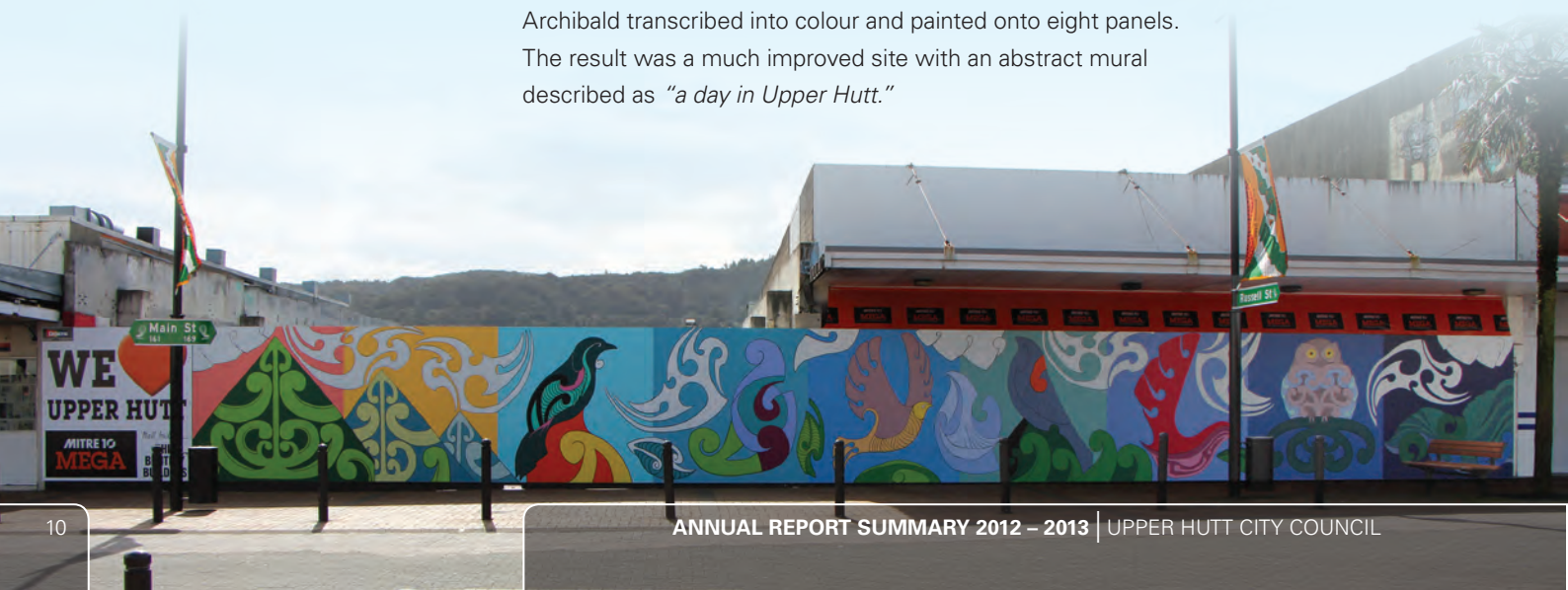
From Christmas 2012, Main Street has enjoyed the addition of permanent fairy lights in its sidewalk trees. This project, which was facilitated by Council is an effort to enhance the look and feel of the city centre in the evenings, making it more vibrant and attractive for people to come out and dine at the city's many eateries and restaurants. Additional festival lighting has also recently been added, creating a real feature, which will help pave the way for extended shopping hours into the evenings for the 2013 Christmas season.

Urban canvas

Council searched for an idea to temporarily improve the view of two adjacent sites on Main Street. One of the sites is empty and the other unoccupied with any proposed development still some time away. Although responsibility for the condition of these sites was squarely on their owner, Council worked with contributors to facilitate the building and painting of a mural for the length of the affected area to both improve its look and prevent ongoing vandalism and graffiti. Council ran a contest and partnered with Mitre 10 MEGA who provided the building materials, Resene who donated paint, and Phil Bently Builders who built the mural free of charge.

Local artist, Brett Keno came up with the winning concept, which Councillor Mary Archibald transcribed into colour and painted onto eight panels.

The result was a much improved site with an abstract mural described as "a day in Upper Hutt."



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.



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

ACHIEVEMENTS THIS YEAR TO ENHANCE OUR ECONOMY

Economic developments

Council has taken a proactive approach to creating sustainable economic development opportunities, both for the city and for commercial enterprise. This approach has seen the development of a sophisticated suite of resources that showcase the Upper Hutt commercial proposition as well as profiling local success stories. These resources are used in negotiations with prospective investors in local commercial opportunities.

This targeted approach to economic development has also supported the increased tenancy in the city centre—with retail vacancies dropping from 23 to 12 in the short time this strategy has been employed. This was assisted by the owners of The Mall granting permission for some vacant shops on Main Street to be used as pop-up shops until development plans have been formalised.

Council also worked with key developers and land owners on many commercial opportunities. This resulted in the sale of the Twiglands site that is now proposed to be developed into residential housing, facilitating the sale of some of the Eurocell site in Park Street, and negotiating tenancies within South Pacific Business Park and for the old Cobb & Co building, to name a few. These and other significant developments, that are in the early stages of negotiation, indicate a promising future for Upper Hutt's economy.

Council also helped facilitate the establishment of a wide range of new businesses in Upper Hutt, including Envirocomp (Wellington Region Gold Award winners), Quick Circuit, and the Thai House Express.



Council has taken a proactive approach to creating sustainable economic development opportunities.

Council has worked with key developers and land owners on many commercial opportunities.

Working with retailers

Council has put great effort into building relationships and strengthening ties with retailers in order to produce a more cohesive approach to city centre growth. Council has worked alongside local retailers in partnership to create a more enticing and attractive offering to our residents and visitors. Some of the focus areas that have already yielded success have been retail events, professional development, and an increased focus on promotion. Initiatives undertaken include:



- The 'A Night Before Christmas' Main Street retail and movie event, held on 19 December, successfully drew a good crowd of people to the city centre for an evening of entertainment and shopping. Retailers who participated in the event were very encouraged by its success, many of whom experienced a significant increase in retail sales for the festive season.

- 'The Silent Seller'—a workshop organised for retailers on visual merchandising and window displays, was held in May 2013. This popular event inspired many of our retailers and provided the motivation for many wonderful window displays in the subsequent competition.



- 'Business Crime Prevention'—another workshop for retailers was run in June 2013, by the Police, to better equip retailers to prevent crime, stock loss and manage difficult behaviours in their stores.

- 'March Madness'—a retail event, was held in March, attracting an estimated 15,000 people to our city centre. This event has been held in the past however; the new approach to this event, which now includes greater retail promotion as well as a significant number of stall holders, led to a successful event in 2013.

The retail community has welcomed this new support from Council, particularly the constant presence and willingness to help.



Marketing and communications

Council launched Phase 1 of its marketing strategy in December 2012. It began with a re-imaging campaign for the city, targeted at prospective home-buyers, in an effort to get Upper Hutt on their radar by showcasing the distinct advantages of an Upper Hutt lifestyle and the value for money properties available.

Phase 2 of the campaign aims to uplift residents of Upper Hutt, so that they may each become ambassadors of our city, thereby creating a more positive community and enhancing the Upper Hutt experience. The third campaign aligns to the economic development strategy, creating key messages, resources, and marketing opportunities that will attract investors to Upper Hutt.

As well as working on this three-year strategy, Council has also been working hard to refresh its look and feel with modern, sophisticated presentation, and more accessible, informative, and accountable communications.

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.



- 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.

ACHIEVEMENTS THIS YEAR TO SUPPORT TRANSPORT

General upgrades

The Land Transport division successfully carried out several projects this year associated with 'Our transport' vision, including the projects to improve traffic flow and safety in Lane/Seddon Streets, and Turon Crescent/California Drive. Corners were widened along Blue Mountains Road, and a safety cycle/footpath was constructed on State Highway 2 from Sunshine Crescent to the Akatarawa Road area.



Public transport

Council also continued to liaise with Greater Wellington Regional Council in regards to improving access to public transport.

Road maintenance

Council spent nearly \$4.5 million on roading assets alone in 2012 – 2013. This significant investment ensures that Upper Hutt's roads meet both our residential and business needs, and that the roading performance targets are met.

Contribution shortfall

Due to other commitments, the New Zealand Transport Agency was unable to provide their funding contribution required to enable the planned new cycle/walkways to be delivered this year.

Link track

Upper Hutt City Council, St Patrick's College Silverstream, and Greater Wellington Regional Council all worked together to create a link track to connect Heretaunga Park with the Hutt River Trail. Upper Hutt City Council will continue to maintain the walkway as part of its extensive walkway network.



The 'Great Ride'

One of the best ways to experience the scenic beauty of Upper Hutt is by bike. Working with others in the region, Council has contributed towards the development of a 'Great Ride' for the Wellington region. The proposed circular route follows the Hutt River Trail through Lower and Upper Hutt cities, up over the Rimutaka Incline, down into the Wairarapa, and returns to Wellington City via the Pencarrow Coast. To support this attraction, Council made a number of improvements to the Hutt River Trail by widening it, and increasing its safety and usability. Council has also contributed funding towards marketing the trail.



Did you know?

WATER RESTRICTION FINES PUT TO GOOD USE

At Council we make every effort to water our own gardens and grounds responsibly. We also draw on bore water at Trentham to irrigate our sports fields, which reduces demand on the treated water supply. However, it's not just enough for the Council to conserve water - it is important that we all use water wisely to ensure that there continues to be enough for everyone.

Unfortunately, every year some residents choose to ignore the watering restrictions or bans and Council is obliged to prosecute. However, a great new initiative was introduced this year whereby fines can instead be paid as a donation to a charity in lieu of being prosecuted. So far \$3975 of donations has been made to over 12 different local and national charitable organisations.

MAYORAL 'HOT-SEAT' AT THE LIBRARY

Do you need to get something off your chest or would you just like to have an informal chat with the Mayor? Come along to the Library. For the third year running, in addition to attending numerous prize giving ceremonies, grand openings, community group meetings, and official commitments, the Mayor has continued to hold a 'library clinic' for two hours every six weeks. To find out which day the Mayor is in attendance go to www.upperhuttcity.com/Hot-Seats

WE DO LISTEN TO YOUR REQUESTS

During the draft Annual Plan 2013 – 2014 consultation period, Council received a submission containing 593 signatures in support of installing a UV sterilisation system at H²O Xstream. While some chlorine will still be required to manage the pool water quality, the UV system will remove many of the common discomforts caused by chlorine. Additionally UV sterilisation destroys dangerous waterborne micro-organisms making for improved water quality. This project has been approved by Council to go ahead in 2013 – 2014.

The Children's Cycle Track at Harcourt Park is a further example of Council listening to your requests. The project was requested through the Long Term Plan submission process by a member of the public.

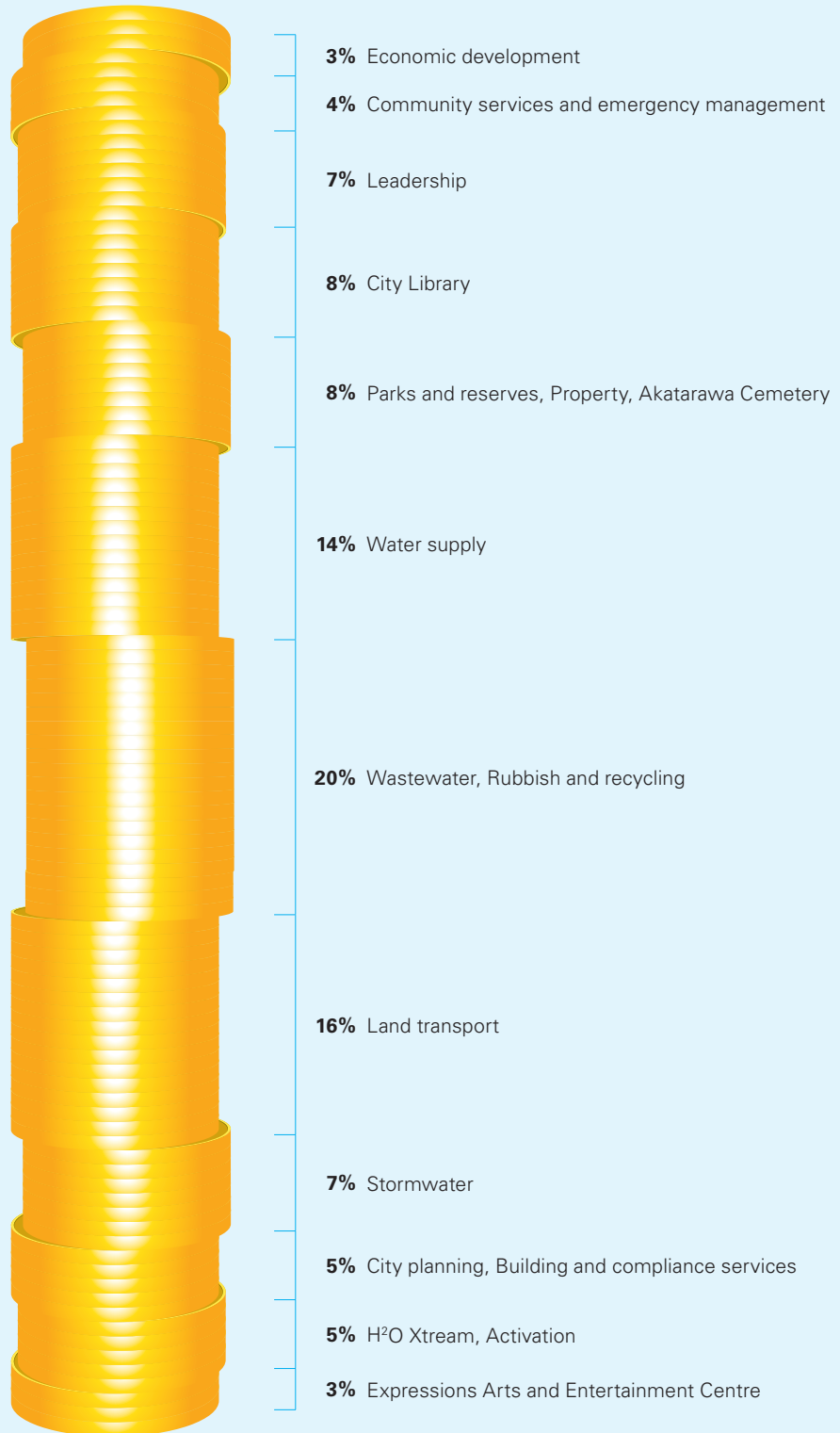
Similarly, multiple members of the public requested the artificial turfs at Maidstone Park, culminating in the opening of the new sports facility in May 2013.



A FEW STATISTICS ABOUT UPPER HUTT



WHERE YOUR RATES MONEY GOES



Measuring performance

FINANCIAL LEVELS OF SERVICE OBJECTIVES AND PERFORMANCE MEASURES

The overall rates funding requirement for the year was a surplus of \$69,000. After allowing for approved funding carryovers from the previous year and to the next year the effective result is a surplus of \$26,000.

The operating deficit (operating income less expenditure) is \$2.850m compared to a budgeted deficit of \$2.579m, an unfavourable variance of \$271,000.

Operating income was \$883,000 lower than estimated. There were several components to this shortfall. Fees and charges were lower with the main lower components being property rentals, permit and licence fees and vested assets. Subsidies and grants were \$495,000 lower with the main shortfall being in other grants. Development and financial contributions collected were \$263,000 less than expected. These consisted mainly of Roading levies contributions.

Operating expenditure was \$612,000 below budget. There were a number of items in this variance. Depreciation was \$160,000 higher than expected. Other expenses were \$1.178m below budget. In this category expenditure on consultants was above budget offset by savings on energy, printing and stationery, 3 waters maintenance and other expenditure.

Term debt decreased from \$25.9m to \$24.6m. This resulted from the cancellation of projects which were not funded by NZTA meaning the Council did not have to borrow to fund its share. The current ratio (current assets; current liabilities) is 0.38: 1 (2012 – 0.65:1). This is misleading as there is a significant amount of term debt classified as current but for which there is little doubt that it will be refinanced. A revised ratio adjusting for this would be 0.95:1.

NON-FINANCIAL LEVELS OF SERVICE OBJECTIVES AND PERFORMANCE MEASURES

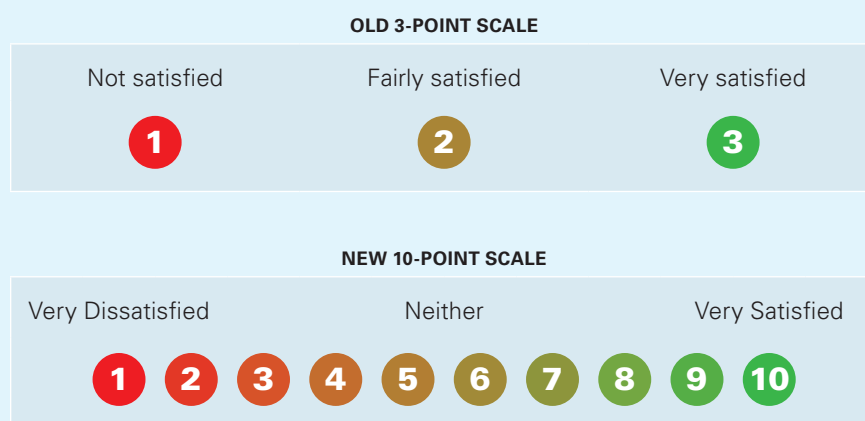
One of Council's legal obligations is to have a system whereby Council's performance is regularly monitored and reported. A number of performance measures, with associated targets, are determined and agreed to at the time of developing the Long Term Plan. Key achievements and the performance results are then reported to Councillors on a quarterly basis. All of the key Council activities have set performance targets. Some targets are measured by the Annual Community Survey, while others are based on meeting a number of high-level requirements within timeframes.

For more detailed information, please see note 29 of the Annual Report, within the 'Notes to the financial statements' section.

Continuous improvement

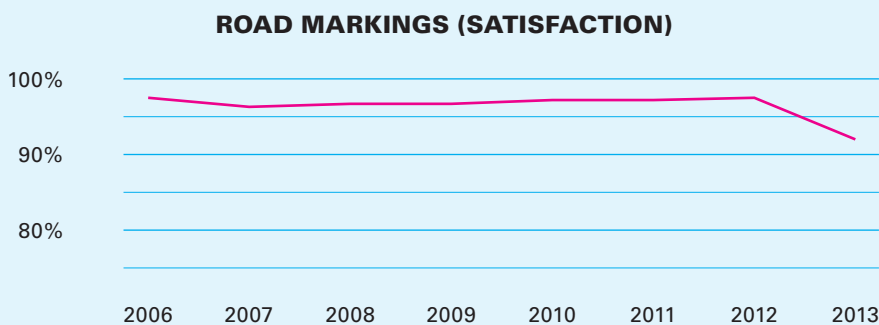
During the development of the Long Term Plan 2012 – 2022, Council undertook a complete review of the levels of service, performance measures, and related targets, resulting in a significant reduction of the number of measures from 104 to 38. In some cases the wording was modified to make the measure more relevant, six new measures were introduced, and a number of measures were removed. Thirteen of the current 38 performance measures are reliant on the results of the Annual Community Survey.

In pursuing a philosophy of continuous improvement, this year, Council contracted a new supplier to facilitate the Annual Community Survey. In addition, changes in the data collection included a more detailed approach to determining a resident’s satisfaction. As such, the satisfaction measurement scale changed from a 3-point scale to a 10-point scale.



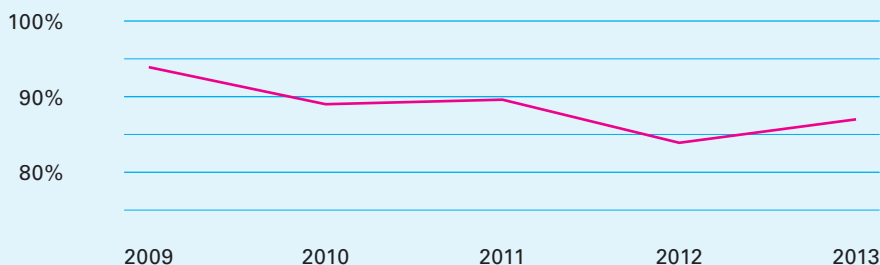
This improvement in data resolution has had an unintended consequence. As the Annual Community Survey respondents now have a greater range of response choices, a new benchmark has been set in 2013 and comparing this year with previous years is no longer comparing ‘apples with apples’. For example, when surveyed on what residents thought of road marking in 2012, 97.5% of persons surveyed rated the city’s road markings as satisfactory or better. However, in 2013, 92% of persons surveyed rated the city’s road markings as satisfactory or better, a drop of 5.5%, yet nothing has changed in the way road markings are carried out or maintained in Upper Hutt. When the 2013 result is viewed within the historical context (graph below), and given nothing has changed; we conclude that the change in methodology from a three point scale to a ten point scale has likely had a negative impact on the rating response.

The below graph shows the historical road marking data, the significant dip in 2013 (-5.5%) is a deviation from the longer term and relatively stable trend.



While in general the 2013 Community Survey data has undergone a downwards adjustment generating a new benchmark, encouragingly when respondents were asked about their satisfaction for the overall level of service from Council, it rose 3.1% from 83.9% in 2012, to 87% in 2013.

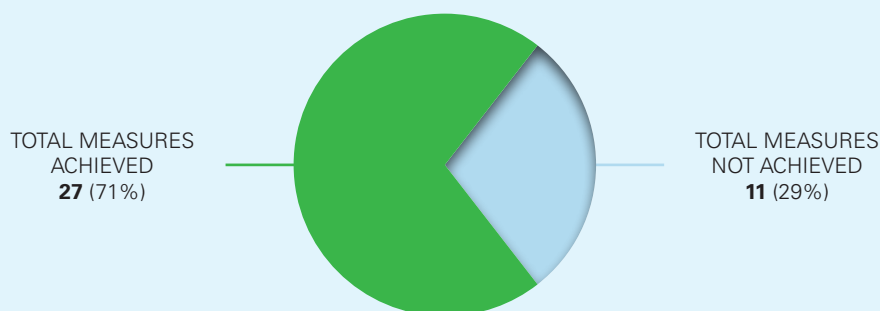
OVERALL COUNCIL LEVELS OF SERVICE (SATISFACTION)



Council Performance Results

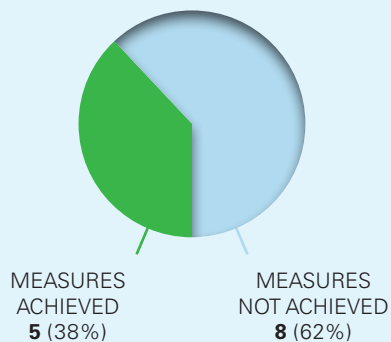
The below results present a more downbeat picture than is actually the case. As previously outlined, a change in survey data collection has resulted in eight measures not being achieved, which does not align with the long term trends for areas where service delivery has not changed.

TOTAL PERFORMANCE MEASURES

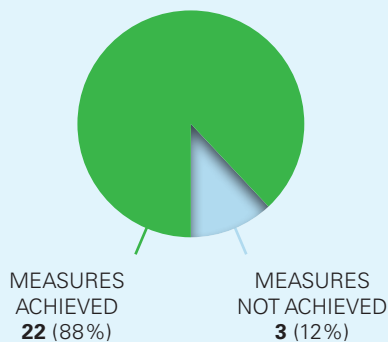


Performance measured by means other than the Annual Community Survey shows a very different trend. Of the 25 measures, 22 were achieved. This equates to an 88% achievement rate (target is 80%), which is an excellent result for 2013. The difference between the community survey results and other performance measure results for 2013 is illustrated below.

COMMUNITY SURVEY PERFORMANCE MEASURES













OTHER PERFORMANCE MEASURES



Given this context, it is our interpretation that overall performance has not declined, however we will be keeping a very close eye on this situation.

Performance by measure

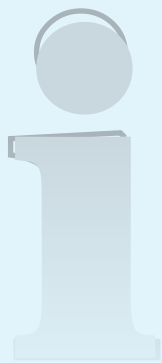
Community satisfaction with the provision of information by Council ¹	
Council has met 80% of its 38 performance targets at fiscal year's end	
Average smoothness of all city roads	
Community satisfaction with the street lighting throughout the city ¹	
Community satisfaction with the cleanliness of the city's streets ¹	
Assessment of footpath conditions to mitigate dangerous surface conditions developing	
Compliance with NZ drinking water standard	
Community satisfaction with water supply service ¹	
Interruptions to the water supply	
Minimise interruptions to the ability to use the wastewater system	
Minimise number of blockages on Council mains	
Preventative measures are undertaken to ensure that no flooding occurs within habitable buildings during a 1:50 year rainfall event	
Reduce the annual tonnage of waste collected and sent to the local landfill	
Promote recycling within Upper Hutt with the goal of increasing the participation rate of households ¹	
Process resource consents within the statutory timeframes	
Community satisfaction with Council's current resource management practices ¹	
90% satisfaction with the building consenting service	
85% of respondents are satisfied or very satisfied with the control of dog nuisances in the city ¹	
90% of respondents are satisfied or very satisfied with the enforcement of parking requirements within the city centre ¹	
Process building consents and LIMs within the statutory timeframes	
Timeliness of food and hairdresser premises inspections	

Timeliness of response to complaints of excessive noise	✓
Timeliness of initial response to reported dog attacks	✓
Satisfaction with the level of community engagement by the Community Development team	✓
Level of satisfaction with the range and quality of local initiatives (community and Activation) provided to meet the needs of the Upper Hutt community	✓
Our community is increasingly prepared for a civil defence emergency ¹	✓
Community satisfaction with the range of high-quality aquatic leisure opportunities provided, for people of all ages and abilities, by H ² O Xtream ¹	✗
H ² O Xtream will meet or exceed all required compliance standards for swimming pool operation	✓
H ² O Xtream annual attendance figures meet or exceed 230,000	✓
Community satisfaction with the level of customer service provided by library staff ¹	✓
665,000 items issued by the City Library	✗
335,000 visitors to the City Library branches	✓
57,000 visits to the City Library website	✓
Community satisfaction with the range and number of arts opportunities provided at Expressions Arts and Entertainment Centre ¹	✗
Number of visitors to Expressions Arts and Entertainment Centre meet or exceed 65,000	✓
Community satisfaction with the level of provision of open space, amenities, and gardens ¹	✓
Community satisfaction with the level of support provided to support economic development ¹	✗
Reduce the number of vacant shops in the city centre	✓

For more detailed information, please refer to the *Report on Council performance by activity section beginning with Leadership on page 31 of the full Annual Report 2012 – 2013.*

NOTE

1. These are performance measures directly related to the results of the Annual Community Survey which was carried out in February 2013.



Understanding why targets were not achieved

PROVISION OF INFORMATION BY COUNCIL ON COUNCIL AFFAIRS

Although almost three quarters of respondents (73%) were satisfied with the provision of information by the Council on Council affairs, this represents significantly less satisfaction than the 94% recorded in 2012 (95% average since 2006). As with other measures, the change in community survey methodology may have impacted on this question. Also, at the time of taking the survey (February 2013), Council was changing from a rates funded to a user-pays system for recycling. In recent times, Council has made a concerted effort to increase the readability of its communications and develop better opportunities for community engagement. Yet, the above results provide a clear indication from the public that we need to improve in this area.

STREET LIGHTING

This year 87% of people surveyed rated the street lighting in Upper Hutt as satisfactory, the target being 90%. The result is similar to previous years where the responses have ranged from 81.1% to 90.2%. Council's annual street light audit showed that 97.5% of street lights were working, excluding network faults.

Network faults are generally where large areas of lights are out at any time. Wellington Electricity (the network provider) is responsible for the repair of network street lighting outages. This means that while Council logs all outages, the repair work is often undertaken by a third party, which is beyond Council's control.

RUBBISH AND RECYCLING

In February 2013, the Council's kerbside recycling collection service, previously funded from rates, changed to a user-pays system, with recycling being collected from wheelie bins by a range of different service providers. It is envisaged the new recycling system will take some time to reach its full potential as more residents transition to the wheelie bin option over time. The newness of the service is likely the reason for the target not having been met this year, however, initial results have indicated that those households that have switched to wheelie bins are recycling significantly more than they did under the old bag system.

PLANNING AND REGULATORY SERVICES

The Council's resource management practices (which implements rules over land use) target has again not been met this year. This is likely because the work often involves contentious application/issues, which evoke reactions from the public. It is worth noting that this survey question is answered by a significantly smaller number of respondents, with 43% answering "Don't know" when asked to rate this service.



CONTROL OF DOG NUISANCES

Council's control of dog nuisances in the city received a satisfaction rating of 83%, narrowly missing the target of 85% satisfaction. The average level of satisfaction over the previous seven years was 86.7%. It is likely that the most recent result may be attributed to the slight variances created with the new community survey 10-point scale as described previously.

PARKING ENFORCEMENT

Respondents' satisfaction with the enforcement of parking requirements in the city centre dropped to 82% compared to 92.4% the previous year. The seven year trend for this measure shows a similar pattern to our example on page 18. With 25% less tickets issued, and no changes in our enforcement practice, we conclude that the result may have been affected by the new reporting scale.



H²O XTREAM

Satisfaction with the range of quality aquatic leisure opportunities provided for people of all ages and abilities was 88% this year. The results from the past seven years indicate the target of 95% satisfaction is a stretch target, however recently, there has been a new focus on bringing a fresh approach to the facility with a range of new initiatives. It is expected that when surveyed next year, satisfaction will have increased.

CITY LIBRARY

It is interesting to note the changing trends within the Libraries towards new technology. We are seeing a steady decline over time in the number of items issued (10.5% decrease in the last year), which could be attributed to books now being downloaded to e-readers. However, the total number of visitors to the Library increased by 4.5% with many people utilising the free internet or attending the vast number of activities on offer. The number of website visits also increased by 32% showing that people are embracing and utilising the technology on offer.

WEBSITE VISITS  32%

PHYSICAL VISITS  4.5%

ITEM ISSUES  10.5%



EXPRESSIONS ARTS AND ENTERTAINMENT CENTRE

Community satisfaction with the range of arts opportunities provided at Expressions Arts and Entertainment Centre (85% satisfaction) did not achieve the 90% target. This measure changed slightly this year from '*arts opportunities in the city*' to '*opportunities provided at Expressions*' to better reflect what Expressions can control. Being short staffed and without a Director for a portion of the year may have contributed to the target not being achieved. Now that a new Director has been appointed, there is a renewed commitment to providing a strong programme that is better aligned with community needs.



ECONOMIC DEVELOPMENT

Satisfaction with the level of support provided to support economic development fell short of the set target of 85% this year. While Council has increased resources in this area, positive outcomes will take time to be realised. Council will continue to increase its efforts in this area, with the view to improving the balance between public satisfaction and level of expenditure.

It is noted that 21% of respondents indicated they would be prepared to spend more to improve the Council's role in supporting economic development in Upper Hutt.

Financial statements summary

The following information is a summary of the Upper Hutt City Council's financial statements that has been extracted from the Council's Annual Report 2012 – 2013.

The Statement of Financial Position (Table 2) is a summary of what the Parent (Council) and Group (Council controlled organisations such as Expressions) owns and what it owes to other parties as at 30 June 2013.

The Statement of Comprehensive Income (Table 3) is a summary of the financial performance of the Parent and Group for the 2012 – 2013 year.

Tables 2 – 3 also provide a comparison with the 2011 – 2012 year that ended on 30 June 2012.

Table 6 provides a summary of the Council's 5-year financial performance, including financial statistics and graphs.

Please refer to the main component of the Annual Report 2012 – 2013 for full financial details, including disclosure of accounting policies and notes to the accounts.

TABLE 1: RATE FUNDING REQUIREMENT FOR EACH ACTIVITY

	Actual	Forecast	Variance
	30 Jun 2013	30 Jun 2013	30 Jun 2013
	(\$000)	(\$000)	(\$000)
AS AT 30 JUNE 2013			
Leadership	2,160	2,182	22
Land Transport	4,699	4,808	109
Water Supply	4,235	4,337	102
Wastewater	6,261	6,158	(103)
Stormwater	2,115	2,180	65
Rubbish and recycling	(344)	(332)	12
Planning and regulatory services			
City Planning	1,096	1,103	7
Building and compliance services	522	409	(113)
Community Services			
Community Development	550	586	36
Activation	200	204	4
Emergency Management	564	572	8
Facilities			
Parks and Reserves	2,347	2,208	(139)
H ² O Xstream	1,262	1,419	157
City Library	2,366	2,393	27
Expressions Arts and Entertainment Centre	840	861	21
Property	146	26	(120)
Akatarawa Cemetery	19	(17)	(36)
Support Services	64	27	(37)
Economic Development	823	870	47
Total rate funding requirement for each activity	29,925	29,994	69
Plus rate funded carryovers 2013 – 2014			
Stormwater (Pinehaven Stream Study)	48		48
City Planning (Urban Growth Strategy)	21		21
Support Services (GIS software, consultants)	84		84
Parks and reserves	48		48
Total rate funded carryovers 2013 – 2014	201		201
Less Rate funded carryovers 2012 – 2013			
City Planning (Urban Growth Strategy)	49		49
City Planning Scheme Review	8		8
City Planning Maymorn Structure Plan	42		42
Stormwater (Pinehaven Stream Study)	14		14
Sunbrae Drive - Stormwater Capital	50		50
Stormwater Model Calibration	20		20
Support Services (GIS software, consultants)	61		61
Total rate funded carryovers 2012 – 2013	244		244
Total rate funded surplus for 2012 – 2013			26

TABLE 2: STATEMENT OF FINANCIAL POSITION—SUMMARY

	Actual Parent 30 Jun 2013 (\$000)	Actual Parent 30 Jun 2012 (\$000)	Forecast Parent 30 Jun 2013 (\$000)	Actual Group 30 Jun 2013 (\$000)	Actual Group 30 Jun 2012 (\$000)
AS AT 30 JUNE 2013					
Assets					
Current assets	8,725	8,550	9,979	8,951	8,710
Non-current assets	662,499	654,096	627,044	662,569	654,168
Total assets	671,224	662,646	637,023	671,520	662,878
Liabilities					
Current liabilities	23,286	13,150	8,104	23,405	13,265
Non-current liabilities	10,812	20,866	23,993	10,812	20,866
Total liabilities	34,098	34,016	32,097	34,217	34,131
Net assets/equity	637,126	628,630	604,926	637,303	628,747

This statement provides a summary of the comparative financial position for the Parent and Group for the 2012 – 2013 and 2011 – 2012 financial years under NZIFRS.

TABLE 3: STATEMENT OF COMPREHENSIVE INCOME—SUMMARY

	Actual Parent 30 Jun 2013 (\$000)	Actual Parent 30 Jun 2012 (\$000)	Forecast Parent 30 Jun 2013 (\$000)	Actual Group 30 Jun 2013 (\$000)	Actual Group 30 Jun 2012 (\$000)
YEAR ENDED 30 JUNE 2013					
Total operating revenue	41,473	40,833	42,356	41,649	41,027
Total operating expenditure ¹	44,323	45,097	44,935	44,439	45,294
Net operating surplus/(deficit)	(2,850)	(4,264)	(2,579)	(2,790)	(4,267)
Increase/decrease in asset revaluation reserves	11,346	56,817	17,377	11,346	56,817
Total comprehensive income as restated	8,496	52,553	14,798	8,556	52,550

This statement provides a summary of the comparative financial performance for the Parent and Group for the 2012 – 2013 and 2011 – 2012 financial years under NZIFRS.

NOTE

1. Finance cost – interest	1,485	1,365	1,459	1,485	1,365
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TABLE 4: STATEMENT OF CASH FLOWS—SUMMARY

YEAR ENDED	Actual Parent 30 Jun 2013 (\$000)	Actual Parent 30 Jun 2012 (\$000)	Forecast Parent 30 Jun 2013 (\$000)	Actual Group 30 Jun 2013 (\$000)	Actual Group 30 Jun 2012 (\$000)
30 JUNE 2013					
Net cashflow from operating activities	8,648	7,591	8,014	8,674	7,604
Net cashflow from investing activities	(7,726)	(13,444)	(7,379)	(7,723)	(13,468)
Net cashflow from financing activities	(1,369)	5,444	(541)	(1,369)	5,444
Net cashflow (outflow) for the year	(447)	(409)	94	(418)	(420)

TABLE 5: STATEMENT OF CHANGES IN EQUITY—SUMMARY

	Actual Parent 30 Jun 2013 (\$000)	Actual Parent 30 Jun 2012 (\$000)	Forecast Parent 30 Jun 2013 (\$000)	Actual Group 30 Jun 2013 (\$000)	Actual Group 30 Jun 2012 (\$000)
Equity at the start of the year	628,630	576,071	590,129	628,747	576,191
Total comprehensive income previously reported	8,496	52,553	14,798	8,556	52,550
Effect on accumulated funds reinstatement	0	6	(1)	0	6
Total comprehensive income as restated	8,496	52,559	14,797	8,556	52,556
Equity at the end of the year	637,126	628,630	604,926	637,303	628,747

These statements provides a summary of the comparative financial performance for the Parent and Group for the 2012 – 2013 and 2011 – 2012 financial years under NZIFRS.

TABLE 6: FIVE-YEAR FINANCIAL PERFORMANCE SUMMARY

	Actual 2012 – 2013 (\$000)	Actual 2011 – 2012 (\$000)	Actual 2010 – 2011 (\$000)	Actual 2009 – 2010 (\$000)	Actual 2008 – 2009 (\$000)	Forecast 2012 – 2013 (\$000)
Rates	30,352	28,965	27,528	26,397	25,064	30,228
Net surplus/(deficit)	(2,850)	(4,264)	(1,444)	(3,052)	(1,723)	(2,579)
Working capital	(14,561)	(4,600)	(3,481)	(3,172)	997	1,875
Public debt	24,587	25,956	20,512	18,617	18,074	24,972
Total net assets	671,224	662,646	576,071	523,598	524,857	604,926

TABLE 7: FIVE-YEAR COUNCIL FINANCIAL STATISTICS

	Actual 2012 – 2013 (\$000)	Actual 2011 – 2012 (\$000)	Actual 2010 – 2011 (\$000)	Actual 2009 – 2010 (\$000)	Actual 2008 – 2009 (\$000)	Forecast 2012 – 2013 (\$000)
Proportion of rates to total income	73.18%	70.94%	68.58%	69.25%	63.33%	71.4%
Average rates per rateable property	\$1,841	\$1,774	\$1,686	\$1,630	\$1,564	\$1,834
Total interest expense on net public debt	6.0%	6.1%	7.8%	8.0%	7.8%	5.8%
External net public debt to annual rates	81.0%	86.9%	74.5%	70.5%	72.1%	82.6%
External net public debt per rateable property	\$1,491	\$1,589	\$1,256	\$1,149	\$1,128	\$1,515
External net public debt to total equity	3.9%	4.1%	3.6%	3.6%	3.4%	4.1%

MAJOR ESTIMATE VARIATION

Explanations for major variations from Upper Hutt City Council's 2012 – 2013 Annual Plan (Long Term Plan 2012 – 2022) are as follows.

Statement of comprehensive income

Operating revenue was \$883,000 below estimate. The following are the main variances.

- Rate income was up by \$124,000 over estimate due to growth of subdivisions within the city.
- Fees and charges were below estimate by \$423,000 for Council, the main lower components being property rentals at \$177,000, H₂O Xtream charges at \$46,000, City Library, parks and cemetery charges at \$172,000, and \$506,000 in other charges.
- Development and financial contributions were down by \$263,000, mainly due to rural road contributions.
- Subsidies and grants were below estimate by \$495,000. This was due to a drop in community grants received by Council.

Operating expenditure was \$612,000 below estimate. The following are the main variances.

- Depreciation was \$160,000 above budget. This reflects the impact of asset revaluations and depreciation of the wastewater project.
- Bulk drainage levy was \$103,000 higher than estimated.
- Other costs were down from budget by \$1.178 million and they comprised of Insurance at \$87,000, printing and stationary at \$146,000, electricity and gas energy at \$67,000, water reticulation at \$164,000, and other operating expenses at \$997,000 which includes payments of weathertightness claims.

Statement of financial position

Asset revaluation reserves have increased by \$31.446 million due to the revaluation of infrastructural assets.

Public debt at balance date was \$24.6 million compared to the estimate of \$24.972 million. The difference is due to cancellation of NZTA subsidised projects of which Council's funding portions were to be supplied by loan.

Capital expenditure

Capital expenditure fluctuated in accordance with the projects mentioned above and variations in other budgeted works over the past three years.

Statement of changes in equity

The major variations were unbudgeted revenue, expenditure and operational asset revaluations as explained above.

COMPLIANCE INFORMATION

1. The Annual Report 2012 – 2013 (which includes the Council's full financial statements) and the Annual Report 2012 – 2013 Summary (which contains the summary financial statements) were both adopted by the Upper Hutt City Council at an Extraordinary Council meeting on the 10 October 2012.
2. The Upper Hutt City Council is a public benefit entity. The full financial statements have been prepared in accordance with NZ GAAP and include an explicit and unreserved statement of compliance with International Financial reporting Standards.
3. The summary financial statements cannot be expected to provide as complete an understanding as provided by the full financial statements.
4. A copy of the Annual Report 2012 – 2013 (which includes the Council's full financial statements) may be obtained from Upper Hutt City Council at 838 – 842 Fergusson Drive, Upper Hutt, or Private Bag 907, Upper Hutt 5140, or www.upperhuttcity.com
5. The full financial statements have been audited by Audit New Zealand and an unqualified opinion issued.
6. The presentation currency of this summary report is New Zealand dollars.
7. Between year-end (30 June 2013) and the signing of the financial statements (10 October 2013) there was nil subsequent events.

Statement of compliance and responsibility

COMPLIANCE

The Council and management of the Upper Hutt City Council confirm that all the statutory requirements of Sections 98 and 99 and Part 3 of Schedule 10 of the Local Government Act 2002, have been complied with.

RESPONSIBILITY

The Council and management of Upper Hutt City Council accept responsibility for the preparation of the annual financial statements and the judgements used in them.

The Council and management of Upper Hutt City Council accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.

In the opinion of the Council and management of Upper Hutt City Council, the annual financial statements for the year ended 30 June 2013 fairly reflect the financial position and operations of Upper Hutt City Council.



Wayne Guppy

W N Guppy

MAYOR



C B Upton

C B Upton

CHIEF EXECUTIVE



I Johnson

I Johnson

DIRECTOR OF CORPORATE SERVICES

Independent audit report

AUDIT NEW ZEALAND
Mana Arotake Aotearoa

Independent Auditor's Report

To the readers of Upper Hutt City Council and group's summary of the annual report for the year ended 30 June 2013

We have audited the summary of the annual report (the summary) as set out on pages 17 to 31, which was derived from the audited statements in the annual report of the Upper Hutt City Council and group (the City Council) for the year ended 30 June 2013 on which we expressed an unmodified audit opinion in our report dated 10 October 2013.

The summary comprises:

- the summary statement of financial position as at 30 June 2013, and summaries of the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended and the notes to the summary financial statements that include accounting policies and other explanatory information; and
- the summary of the City Council's non-financial performance information and summaries of other information contained in its annual report.

Opinion

In our opinion, the information reported in the summary complies with FRS-43: *Summary Financial Statements* and represents, fairly and consistently, the information regarding the major matters dealt with in the annual report.

Basis of opinion

The audit was conducted in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand).

The summary and the audited statements from which they were derived, do not reflect the effects of events that occurred subsequent to our report dated 10 October 2013 on the audited statements.

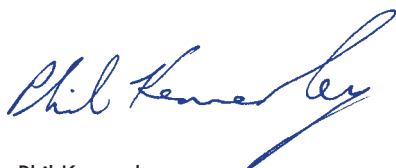
The summary does not contain all the disclosures required for audited statements under generally accepted accounting practice in New Zealand. Reading the summary, therefore, is not a substitute for reading the audited statements in the annual report of the City Council.

Responsibilities of the Council and the Auditor

The Council is responsible for preparing the summary in accordance with FRS-43: *Summary Financial Statements*. The Council is also responsible for the publication of the summary, whether in printed or electronic form. We are responsible for expressing an opinion on the summary, based on the procedures required by the Auditor-General's auditing standards and the

International Standard on Auditing (New Zealand) 810: *Engagements to Report on Summary Financial Statements.*

Other than in our capacity as auditor we have no relationship with, or interests in, the City Council or any of its subsidiaries.



Phil Kennerley
Audit New Zealand
On behalf of the Auditor-General
Wellington, New Zealand
10 October 2013



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