

UPPER HUTT CITY

Annual Report 2013 – 2014

1 JULY 2013 – 30 JUNE 2014



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Foreword

FROM HIS WORSHIP THE MAYOR AND THE CHIEF EXECUTIVE

This past year has demonstrated the value of leadership in Upper Hutt. It is a commitment that your Mayor and Council take very seriously and is much more meaningful than a simple responsibility of representation.

When faced with our greatest challenge of the last few years, the regional governance debate, it was the prospect of losing our community as it is today, and your Council, that resulted in you rallying your voices. And what a statement that was made. In the face of the prospect of amalgamation of all councils within the Wellington region, our impassioned community clearly said **"No."**

While the debate about proposed amalgamation continues, and various campaigns and agendas have influenced the changing minds of many in our region, our voice has been staunchly unwavering. We are humbled by the commitment and faith of those who have entrusted us with their voice, and we will continue to listen, inform, and consult with you all, so that our voice will continue to be heard.

It was leadership that helped many in our community navigate their way out of the global financial crisis, and throughout this last year we have had the privilege of meeting with many local business people who are becoming leaders in their own field. By thinking differently, these leaders overcame financial constraints which influenced their markets, and were well down the path of success long before business confidence improved throughout the country. The depth of talent, innovation, vision, and expertise in our community continues to astound us. There seems to be no limit to what people in our community can achieve.

To support growth and success in our community, Council applies the principles of good leadership to its planning and operations. We take time to engage in quality, meaningful consultation with our community to ensure that the decisions we make represent what is best for our community, and that our vision for the future is one we all share. We advocate for your needs at a regional level, where we are privileged to hold the position of Chair of the Wellington Regional Mayoral Forum. We also advocate for your needs in a practical sense, which has been demonstrated through our negotiations with Greater Wellington Regional Council, resulting in the agreement to develop a new Upper Hutt Railway Station.

**Our impassioned
community clearly said
"No" to amalgamation.**

**The depth of talent,
innovation, vision,
and expertise in our
community continues
to astound us.**

As you read through this year's Annual Report, you will see we have remained prudent in the management of financial resources, working hard to build efficiencies so that those households still impacted by past economic forces have time to recover, as many of you have told us that things can still be tough. Where we have invested, it has been in ways that will bring benefit to many, with strategic investments and projects setting the foundations for future success and community growth.

We hope that you and your family feel the same pride as we do when reflecting on our great community and its spirit. Thank you for entrusting us with the privilege of leading this community, and for your part in contributing to it.



W N Guppy | **MAYOR**

C B Upton | **CHIEF EXECUTIVE**

Our vision

MEASURING OUR VISION/OUTCOMES

Our vision statements are focussed on goals and aspirations, whilst also providing direction. They inform and guide 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 2013 – 2014 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.



ACHIEVEMENTS THIS YEAR TO ENHANCE OUR ENVIRONMENT

Rural Strategy

During the year, Council began the process of developing a Rural Strategy which is intended to establish a vision for what rural Upper Hutt should look like in the next 10 to 20 years, and a roadmap setting out how that vision will be achieved. Extensive community engagement was held between 26 November 2013 and 14 February 2014. This engagement was extremely well received and culminated in a 'Summary of Feedback' document.

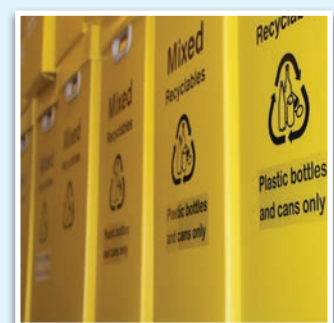


Waste minimisation

Upper Hutt City Council is signatory to the statutorily required Wellington Region Waste Minimisation and Management Plan (WMMP). This plan is the only collaborative WMMP of this scale in New Zealand. It includes local actions for Upper Hutt and the other seven local authorities within the region, and joint regional activities. The regional actions are led by officers of the individual Councils and to date, the only source of actions that has seen activity 'on the ground' has stemmed from Upper Hutt City Council's work on the Wellington Region Waste Minimisation Education Strategy.

In-house sustainability

Council has taken steps to reduce in-house waste and increase energy efficiency via its Sustainability Strategy. To date, these have included the removal of some 150 staff office waste bins, replacing them with a new centralised waste management system for diverting a wider range of materials from landfill. This has resulted in significantly improved diversion rates meaning the councils general waste skip is now emptied a third less, saving council approximately \$3000/year. Council also plans to undertake an internal waste audit in the coming financial year to monitor progress and identify any new waste minimisation opportunities.



An energy audit of H²O Xtream has provided a series of recommendations to improve the facilities energy efficiency. Some will be submitted to the upcoming Long Term Plan 2015 – 2025 for funding consideration, while others were able to be funded as part of the recent maintenance closure.

Outdoor recreation



ACTIVATION PARKS AND PLACES

The Activation team at Upper Hutt City Council have one major goal: to get more Upper Hutt residents more active, more often. They use a range of opportunities to achieve this and the latest initiative, 'Activation's Parks & Places', was launched in February 2014. The programme, which attracted 5,525 participants, was a six-week calendar of activities. It was located across the parks and recreational facilities and catered to all people throughout Upper Hutt. Events were low cost (\$5 or less) or free and included activities such as 'Bike the Trail,' 'Paws in the Park,' 'Walk2Work Day,' group evening trail runs, family bike rides, group dog walks, early morning boot-camp sessions, give-it-a-go opportunities, tai chi, Zumba, and a family amazing race.



ACTIVATION'S GOLD PROGRAMME—GROWING OLD LIVING DANGEROUSLY

There are many reasons why staying fit and active as you age is important. There are also numerous studies published about the importance of trying new things and staying connected in your community as you age. The Growing Old and Living Dangerously (GOLD) programme has been brought back to life in Upper Hutt by Council's Activation team. The GOLD Programme has been produced to enable and encourage local residents over 50 to participate in fun social activities, while getting physically active. GOLD is a series of monthly events which enables mature residents to partake in activities they have never tried or perhaps even contemplated before such as kayaking, rock climbing, archery, ten pin bowling, snorkelling and circus acts.



MAIDSTONE PARK – WHITEMANS VALLEY LINK TRACK

The upgrade of the Maidstone Park – Whitemans Valley link track was completed, which includes the installation of steps on the steep section, levelling of the track (cutting into the hillside), and metal spread on the other sections – all of which have improved pedestrian access.

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.

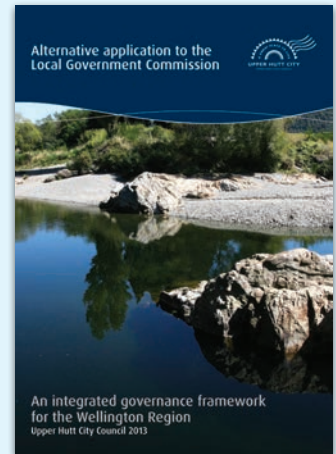


ACHIEVEMENTS THIS YEAR TO STRENGTHEN OUR COMMUNITY

Regional Governance

Upper Hutt City Council undertook extensive consultation in 2012 and 2013 to understand what our community needed and wanted. The majority of Upper Hutt residents wanted Upper Hutt's governance structure to stay the same, with many also wanting to increase shared services across the region. Resultantly, Upper Hutt City Council submitted an enhanced shared services change proposal that also supported the Wairarapa's application to amalgamate the three smallest councils in the region to form a stand-alone unitary authority for the Wairarapa.

In early 2014, the Local Government Commission (LGC) considered the reorganisation and alternative application proposals. The LGC decision has been delayed several times this year and will now be made after the 2014 New Zealand General Election. The diagram below outlines the process going forwards.



DRAFT LGC PROPOSAL

[Now expected in late 2014]

Should the LGC decide that the status quo is not viable, they will present an alternative to the current structure.

FINAL LGC PROPOSAL MADE PUBLIC

Following consultation, the LGC will prepare a final proposal and make it public.

A VOTE MAY BE FORCED

If 10% of electors in a district object to the proposal, they may petition for a poll (vote).

IF TRIGGERED, A POLL IS ORGANISED

If a petition is successful, a poll will be organised and electors can vote for or against the proposal. The LGC proposal requires 50% of the vote to proceed, otherwise the current system will remain in place for the region.



General (to highlight a few)

- Implementing Safer Communities Working Together, a programme that aims to address areas such as road safety, family violence, alcohol-related harm, and crime prevention—particularly around drugs, alcohol, and violence
- Providing employment support to assist people into either full-time or part-time positions
- Discouraging family violence and tolerance for violent behaviour in the community through Council's ongoing local 'It's not OK' campaign
- Carrying out Raising Achievements Across our Youth Sector (RAYS), a truancy initiative that looks into the attendance data of participating schools
- Offering a free community education service assisting older drivers in making the best use of their vehicles so they can continue to drive safely and retain independent mobility
- Co-leading a youth alcohol event, now called X-ROADS, with Hutt Valley Police to educate young drivers about alcohol and drugs
- Holding a Mental Health Awareness Week to highlight that New Zealanders of all ages are experiencing negative physical and mental health effects due to social isolation, loneliness and lack of connectedness.

Graffiti removal and prevention

The cost of graffiti eradication within the identified priority areas has reduced for the 2013 – 2014 period. Council's commitment to cleaning up graffiti quickly appears to be an effective way of deterring taggers in the city centre and on arterial routes.



Council continued to work alongside Chorus, The Learning Connexion, and students from St Brendan's and Trentham Schools to paint murals (using anti-graffiti guard paint) across the city in an effort to eradicate graffiti and beautify the most commonly vandalised Chorus cabinets. Murals were also completed at Maidstone Park Turfs and a shop wall on the corner of Merton and Rimutaka Streets. The additional painted cabinets and murals are certainly adding a new vibrancy to many streets around Upper Hutt.

Community hub at the library

Upper Hutt City Library continues to develop its Central Library branch as a 'community hub' for the provision of information and life-long learning.



Library services have continued to develop and expand to engage people in many new ways. From employment support programmes to lending ukuleles, the Library now offers over 70 regular programmes that provide opportunities for all ages to engage with each other, connect with the wider world, and learn new skills. The success of Upper Hutt City Library has been featured on national television and continues to be recognised widely by the national and international library community.

Our Heritage

CELEBRATING OUR HERITAGE AT THE UPPER HUTT LIBRARY

The Upper Hutt City Library has established a special section on the 'Recollect' website for World War One Centenary resources. This section highlights the contribution of Upper Hutt and its people to the war. It is also used in conjunction with the school education programme.

World War One heritage wall display—A Heritage wall display has been created in the Library featuring a reproduction of a rarely seen 1915 topographical map of Upper Hutt, used by Trentham Military Camp for manoeuvre purposes. Several historic photographs of Upper Hutt from this era will also be displayed around the map, illustrating the impact the military had on the town.



Trentham Rifle Range graffiti—New Zealand Defence Force (NZDF) has systematically photographed the walls of three shooting galleries constructed at the Trentham Rifle Range in the late 1930's. Dating from that time the walls have acquired an enormous amount of 'graffiti', written by soldiers from New Zealand and overseas, with a significant amount coming from the U.S. Marines during the Second World War. The graffiti includes names, home towns, and messages written by the men. The NZDF has been working in collaboration with the Library to make this collection of 3,000 images accessible online through the Library's Recollect website.

Remembrance poppies—In partnership with Trentham Military Camp, the Library has collected handmade poppies to support the '5000 Poppies – A Tribute of Respect and Remembrance' project. Over 150 poppies were knitted or crocheted in Upper Hutt and were displayed on the Heritage Wall in the Library. The poppies will be incorporated into the larger collection of contributions from throughout the country and will be displayed at Expressions Arts and Entertainment Centre.

1986 Upper Hutt promotional video—A 1986 promotional video for Upper Hutt hosted by Selwyn Toogood was posted on the Library's Recollect website last year after being shown at the Library's inaugural 'The Way We Were' heritage event. Subsequently, the video was discovered by Facebook users who have posted links to the video's location on Recollect <http://uhcl.recollect.co.nz/nodes/view/21548>. As a result the video was watched by over 8000 in just five days.





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.

ACHIEVEMENTS THIS YEAR TO SUPPORT OUR CITY CENTRE



City gardens

Another outstanding display of vibrant colours in the Council gardens has been enjoyed and appreciated by all. The dazzling colours never fail to add a special cheerfulness to the city centre regardless of the season.

Upper Hutt's attractions

Council continued to promote Upper Hutt's attractions to domestic visitors through targeted marketing in a range of publications, including Vibrant Hutt, the Official Wellington Visitor Guides, the AA Traveller Visitor Guide, and the Jason's Guides.



Expressions Arts and Entertainment Centre

Expressions Arts and Entertainment Centre achieved record numbers for the year, with almost 48,000 more visitors than the previous year. This was contributed to by several high class exhibitions, sell out theatre bookings, and back-to-back activities in the Recreation Hall. One of the main highlights brought to us by Expressions this year was the spectacular World of Wearable Arts exhibition that included prize winning costumes from previous years. The exhibition was visited by a large number of people from around the Wellington region including many schools and even pre-schools. Out of eight venues that held the exhibition around the country, Upper Hutt was the only venue that did not put on a door charge, bringing many first time visitors to Expressions.

'*Future Expressions*,' a ten-year strategic framework that proactively plans for the present and future growth of Expressions in the city, is currently in draft form. Future Expressions is a high-level strategic and capital investment plan that will guide a process of extension and growth for Expressions Arts and Entertainment Centre.

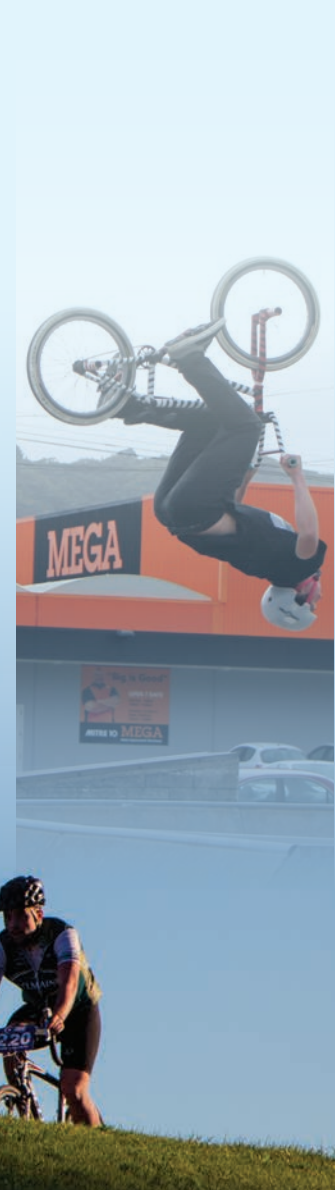
New gantry style signs

Two new signs—north-facing and south-facing—have been erected on State Highway 2, close to the Gibbons Street intersection in Upper Hutt. Gibbons Street has long been the main exit off the highway for travellers to access Upper Hutt's city centre that, up until now, has not been adequately signposted.

The signs have been particularly welcomed by the local retail and tourism sector operators who see the signs' potential to direct visitors to the city centre precinct.

Breakaway Festival of Cycling

Breakaway, Upper Hutt's inaugural festival of cycling for the month was held in September 2013. Using the festival to highlight Upper Hutt's awesome cycling assets that provide for a whole range of cycling styles and a broad range of skill levels, this all-inclusive series of events sparked interest from cyclists around the region. Festival coordinator, Natalie Finnigan said, "the success of Breakaway was a great example of what can be achieved when Council partners with the community." As well as including information about cycling in Upper Hutt, the brochure and website has also featured other local recreational activities and promoted our cafes, bars and restaurants.





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.

ACHIEVEMENTS THIS YEAR TO ENHANCE OUR ECONOMY

Economic developments

Several new businesses have opened up in Upper Hutt as the city's economy begins to grow. This year has seen a significant number of vacant premises filled with new or expanding businesses. In the commercial scene a number of local businesses are in the process of expanding or needing to expand due to the success they are having. Growth has also been seen in the retail and service sectors. Although retail continues to be a tough and changing sector, ten new businesses have recently opened and two businesses have expanded into larger premises.



Local business models are also continuing to diversify with a number of businesses doing such things as sharing premises and costs, promoting themselves online, running classes and demonstrations, and being proactive in finding creative ways to help their businesses grow. This creative energy and thinking is not only good for their business but Upper Hutt in general.

Promotional video

Council worked with See & Do New Zealand to produce a three minute promotional video that features ten of Upper Hutt's key businesses. The intention of the video is to present the benefits of establishing a business in Upper Hutt, whilst also showcasing what we have to offer via the presentation of some of our more prominent businesses.



Working with retailers

Once again this year Council built on strengthening relationships with local retailers. Meeting regularly with city centre business owners and managers has helped to build collaborative promotions, increasing retail activity and better supporting retail operations. Along with regular initiatives, such as window display competitions and professional development resulting in improved attractiveness and vibrancy in our city centre, practical support, such as liaison, visual merchandising, marketing advice, and a props library have been offered to our retail community.

Marketing and communications

RESIDENTIAL CAMPAIGN

In August 2013, Council launched a new campaign website aimed at potential house buyers, offering Upper Hutt as a viable alternative to the other centres around the region.

The residential marketing campaign, aims to get Upper Hutt on the radar of prospective home buyers by showcasing the distinct advantages of an Upper Hutt lifestyle and the value for money properties available. At the core of this campaign sits a website - live.upperhuttcity.com. During this campaign period Upper Hutt saw a significant lift in first home buyer purchases in comparison to the rest of the region.

THE 'DREAM SUMMER IN UPPER HUTT' CAMPAIGN

The Dream Summer campaign provided umbrella promotional opportunities for all events and activities held in Upper Hutt over the summer months. This campaign promotion encouraged local residents to participate in local activities and events, showcasing the broad range on offer. Regionally, the campaign helped to tell the Upper Hutt story, encouraging 'day-tripping' to Upper Hutt, and selling the many attractions and activities of the city to those who would normally travel further afield for summer entertainment. The campaign consisted of a dedicated website, Facebook advertising, local billboards, city flags, and print advertising (local and regional).

*Another dream summer in
Upper Hutt*





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.

ACHIEVEMENTS THIS YEAR TO SUPPORT TRANSPORT

Upper Hutt continues to be highly regarded for its well-maintained infrastructure. We utilise detailed asset information to ensure that maintenance and asset replacement is completed at the most efficient and effective period in the asset's lifecycle, which is supported by clear information about when it should truly be replaced.

Roading and footpaths

Council spends a significant proportion of its expenditure on roading asset renewals. In 2013 – 2014 this amounted to \$2,447,000, which included a wide range of activities including the resurfacing of 84,400 square metres of roads, and reconstruction of 5,457 square metres of footpath. In addition to the renewals programme a further \$1,961,323 was proportioned to roading maintenance which included street lighting, street cleaning, traffic services, drainage and general maintenance of the network.

New signage

Silverstream School received upgraded automatic flashing 'Janet and John' signs, which clearly highlight school safety zones.

Several 'Share the road' signs have been installed at the entrances to all rural roads and Mangaroa School received 40 kph speed limit signs, in order to enhance safety.

Blenheim/Brown Street pedestrian crossings

Concern over a number of near misses on the Blenheim Street crossings resulted in a safety audit being conducted. The audit recommended redesigning the intersection, including moving the pedestrian crossings away from the intersection a short distance to allow drivers more time to see movement on the crossings. Other safety additions included the installation of amber LED lights on the centre island that flash alternately once a person is detected on the crossing.

Gloucester Street/Gard Street intersection

A pedestrian refuge has been constructed at the corner of Gloucester Street and Gard Street to provide a safer crossing for pedestrians.

Riverbank cycle route

Work has been progressing on the new asphalt-sealed cycle path running between Moonshine Road and the city centre creating a safer alternative for cyclists than using the busy roads. Whilst still under development, this path is already proving to be extremely popular.



Did you know?

RAINWATER EMERGENCY WATER TANKS

Emergency rainwater tanks have been flying out the door of Upper Hutt City Council with 900 sold during the last twelve months. "Upper Hutt residents are clearly taking on the message to be prepared in case of emergency" says Lachlan Wallach, Council's Director of Asset Management and Operations. Upper Hutt has sold more rainwater tanks than any of our regional neighbouring councils.

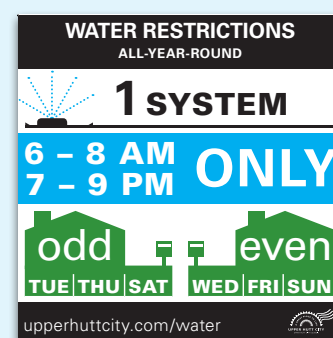
WATER CONSERVATION

In terms of cost, Upper Hutt City's water consumption is charged by Greater Wellington Regional Council relative to the city's population proportion. This means leak detection is very important and Council has been pushing this work programme to ensure that leaks are detected and fixed quickly. It also means that if Upper Hutt residents use more water and other cities on the network use less, Upper Hutt residents must foot the bill for not only the extra consumption, but also the savings of other cities.

This billing system means our city's water bill is highly vulnerable to fluctuations in consumption around the region. As of June 2014, Upper Hutt's water consumption had fallen from \$155,000 over budget (which represents a 0.49% increase in rates) to \$94,000 over budget (0.29% increase in rates). Residents have been responding to the new billboard messaging which shows how high (or low) the city's consumption is. A number of residents have even made suggestions for improving these billboards. One of which Council has delivered is labelling the arrows with the current season so that it would be apparent that the billboards were reflective of the current situation. It is noteworthy that the over-consumption is stemming from the areas of the city that do not have water conservation billboards that expose commuters to the latest conservation messaging. Council officers are investigating options for addressing this issue. In addition, Council is continuing the initiative introduced last year whereby fines imposed on people ignoring water restrictions or bans, were paid as a donation to a charity in lieu of being prosecuted. This year \$1,225 was distributed between ten charities.

WE DO LISTEN TO YOUR FEEDBACK

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 that Council's assets such as roads, pipes, footpaths, and lights are well maintained at all times. To this end in 2013 – 2014, we limited the number of new projects and focused spending on the maintenance of Council's assets.



River restoration

On several occasions the community have identified river/stream water quality (in relation to toxic algal blooms) as one key area of concern for the community. With the popularity of the Hutt River Trail and the many swimming spots, it is easy to see why the naturally occurring yet potentially lethal organic material within the river is a key concern.

Last year collaborative investigations were undertaken by Upper Hutt City Council, Victoria University of Wellington students (supported by Geological and Nuclear Sciences), and Greater Wellington Regional Council scientists. This work will help to further our understanding of the entire Hutt River ecosystem.

A FEW STATISTICS ABOUT UPPER HUTT

Here are some interesting facts from Statistics New Zealand's 2013 Census data and Upper Hutt City Council.



WHERE YOUR RATES MONEY GOES



Measuring performance

FINANCIAL LEVELS OF SERVICE OBJECTIVES AND PERFORMANCE MEASURES

The overall rates funding result for the year was a surplus of \$1.626m. After allowing for approved funding carryovers from the previous year to the next year, the effective result is a surplus of \$554,000.

The operating deficit (operating income less expenditure) was \$1.919m compared to a budgeted deficit of \$3.83m, an unfavourable variance of \$1.911m.

Operating income was \$1.023m lower than estimated. There were several components to this shortfall. Fees and charges were under budget with the main contributions being property rentals, permit and licence fees and H²O Xtream charges. Subsidies and grants were \$383,000 under budget with the main shortfall being in other grants. Development and financial contributions collected were \$204,000 less than expected mainly due to lower than expected roading levy contributions.

Operating expenditure was \$2.934m below budget. There were a number of items in this variance leading to depreciation being \$169,000 lower than expected. Other expenses that were \$2.936m below budget, included consultants for energy, printing and stationery, and other expenditure and loss on disposal of assets.

Term debt decreased from \$27.962m to \$25.427m. This resulted from the cancellation of projects, which were not funded by NZTA, resulting in Council not being required to borrow to fund its share of the projects. (The expected loan funding of a weather tightness claim of \$2.3m was budgeted for year 2013 – 2014 but, was actually paid out in year 2012 – 2013). The current ratio (current assets: current liabilities) is 1.213:1 (in 2013 it was 0.38:1).

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.

Continuous improvement




As mentioned in last year's Annual Plan, Council contracted a new supplier to facilitate the Annual Community Survey in 2012 – 2013 which included changes in the data collection to achieve 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, offering participants a much greater range of feedback options. As explained in the Annual Report 2012 – 2013, it was considered likely that in some areas, the greater range of feedback options had an apparent negative consequence through the establishment of a new baseline that sits lower than the performance measure target.

Council performance results

Of the 13 Annual Plan performance measures associated with the community survey, four were achieved in 2014 in comparison to five in 2013. Of the remaining nine measures, when compared with the 2013 results, three registered an improvement, one registered no change, and five showed a decline in satisfaction. On the face of it these results are of concern, however officers do not believe that the majority of these results should cause either grave concern or provide significant reason to celebrate, particularly in light of the adjustment to the baseline which stemmed from the change in survey methodology. Ten of the thirteen (or 77%) were only one or two percent different (well within the 5% margin of error) from the previous twelve months' results. The coming Long Term Plan 2015 – 2025 will offer the opportunity for the performance measures and targets to be reviewed in light of the new 10-point scaling system used within the Annual Community Survey.











Performance by measure

Council has met the majority of its 38¹ performance targets at year's end

Target:	80% of all performance targets are met at the end of this year	
Performance:	58% of performance measures were met— <i>not achieved</i>	
<hr/>		
	Community satisfaction with the provision of information by Council ²	
Target:	90% satisfaction	
Performance:	75% satisfaction— <i>not achieved</i>	
<hr/>		
	Average smoothness of all city roads	
Target:	Less than or equal to 120 NAASRA counts	
Performance:	Average smoothness was 118 NAASRA counts— <i>achieved</i>	

NOTES:

1. The number of performance measures identified in the Long Term Plan 2012 – 2022 was 31. When subordinate measures are also counted, the number increases to 37. Also, during 2013 – 2014 the performance measure for 'processing building consents and LIMs within the statutory timeframes' was split into two sections, bringing the total number of Performance Measures to 38.
2. This performance measure is directly related to the results of the Annual Community Survey, which was carried out in February 2014.

Community satisfaction with the street lighting throughout the city ³	Target: 90% satisfaction	Performance: 83% satisfaction — <i>not achieved</i>	
Community satisfaction with the cleanliness of the city's streets ³	Target: 90% satisfaction	Performance: 90% satisfaction — <i>achieved</i>	
Assessment of footpath conditions to mitigate dangerous surface conditions developing	Target: 90% have a defect value of 29 or less	Performance: 97.4% — <i>achieved</i>	
Compliance with NZ drinking water standard	Target: Maintenance of our existing A1a grading	Performance: Maintained A1a grading — <i>achieved</i>	
Community satisfaction with water supply service ³	Target: 95% satisfaction	Performance: 94% satisfaction — <i>not achieved</i>	
Interruptions to the water supply	Target: 97% of individual consumers who experience unplanned water disruptions have the service restored within two hours	Performance: 93% — <i>not achieved</i>	
Minimise interruptions to the ability to use the wastewater system	Target: 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	Performance: 100% — <i>achieved</i>	
Minimise number of blockages on Council mains	Target: Less than two blockages reported per kilometre of pipeline	Performance: 0.54 blockages per kilometre — <i>achieved</i>	
Preventative measures are undertaken to ensure that no flooding occurs within habitable buildings during a 1:50 year rainfall event	Target: Zero reports of inhabited buildings being flooded	Performance: Zero reports — <i>achieved</i>	
Reduce the annual tonnage of waste collected and sent to the local landfill	Target: Maintain a compounding target of reducing the waste collected per household on average by 10% per annum	Performance: The waste collected by Council contractors across Upper Hutt has reduced by 9.6% for the 2013 – 2014 year — <i>not achieved</i>	

NOTE:

3. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2014.

Promote recycling within Upper Hutt with the goal of increasing the participation rate of households

Target: Achieve a 60% participation rate of households using the kerbside recycling service

Performance: 32.4% of households use a recycling service provider
—*not achieved*



Process resource consents within the statutory timeframes

Target: 100% of resource consents will be processed within the statutory timeframes

Performance: 100% —*achieved*



Community satisfaction with Council's current resource management practices⁴

Target: 87.5% satisfaction

Performance: 65% satisfaction —*not achieved*



Community satisfaction with Council's building and compliance services provided

Target: 92% satisfaction with the building consenting service

Performance: 95% satisfaction —*achieved*



Community satisfaction with the control of dog nuisances in the city⁴

Target: 85% of respondents are satisfied or very satisfied with the control of dog nuisances in the city

Performance: 81% satisfaction —*not achieved*



Community satisfaction with the enforcement of parking requirements within the city⁴

Target: 90% of respondents are satisfied or very satisfied with the enforcement of parking requirements within the city centre

Performance: 81% satisfaction —*not achieved*



Process building consents and LIMs within the statutory timeframes⁴

Target: 100% of building consents and LIMs will be processed within statutory timeframes

Performance: 100% of building consents —*achieved*



97.9% LIMs applications —*not achieved*



Timeliness of food and hairdresser premises inspections










Target: Food and hairdresser premises inspections – complete annual inspection of 100% of premises requiring health inspection for the future year by 30 June

Performance: 100% —*achieved*



NOTE:


4. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2014.


Timeliness of response to complaints of excessive noise		
Target:	Respond within one hour to 90% of excessive noise reports being confirmed	
Performance:	100% — <i>achieved</i>	
Timeliness of initial response to reported dog attacks		
Target:	100% of reported dog attacks will receive an initial response within two hours of the complaint being received	
Performance:	100% — <i>achieved</i>	
Satisfaction with the level of community engagement by the Community Development team		
Target:	90% satisfaction	
Performance:	95% satisfaction— <i>achieved</i>	
Level of satisfaction with the range and quality of local initiatives (community and Activation) provided to meet the needs of the Upper Hutt community		
Target:	80% of programme participants rate the initiative as being satisfactory or better at meeting the specific needs of the community. (5 key programmes will be evaluated)	
Performance:	Activation 100% — <i>achieved</i> , Community 92.7% — <i>achieved</i>	
Our community is increasingly prepared for a civil defence emergency ⁵		
Target:	75% satisfaction	
Performance:	85% of households are prepared for a civil defence emergency— <i>achieved</i>	
Community satisfaction with the range of high-quality aquatic leisure opportunities provided, for people of all ages and abilities, by H ₂ O Xtream ⁵		
Target:	95% satisfaction	
Performance:	90% satisfaction— <i>not achieved</i>	
H ₂ O Xtream will meet or exceed all required compliance standards for swimming pool operation		
Target:	PoolSafe Accreditation	
Performance:	<i>Achieved</i>	
H ₂ O Xtream annual attendance figures		
Target:	Meet or exceed 230,000	
Performance:	204,678 visitors— <i>not achieved</i>	
Community satisfaction with the level of customer service provided by library staff ⁵		
Target:	95% satisfaction	
Performance:	98% satisfaction— <i>achieved</i>	


NOTE:

5. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2014.


Number of issues and physical visits (to the library) in the 12 months to 30 June

Target 1: Minimum of 665,000 items issued by the City Library
Performance: 558,973 items issued—*not achieved* 


Target 2: Minimum of 335,000 visitors to the City Library branches
Performance: 409,966 visitors—*achieved* 

Target 3: Minimum of 57,000 visits to the City Library website
Performance: 47,972 website visits—*not achieved* 


Community satisfaction with the range and number of arts opportunities provided at Expressions Arts and Entertainment Centre⁶

Target : 90% satisfaction
Performance: 86% satisfaction—*not achieved* 


Number of visitors to Expressions Arts and Entertainment Centre meet or exceed 70,000

Target : 70,000 visitors
Performance: 120,441 visitors—*achieved* 


Community satisfaction with the level of provision of open space, amenities, and gardens⁶

Target : 95% satisfaction
Performance: 97% of respondents were satisfied or very satisfied—*achieved* 

Community satisfaction with the level of support provided to support economic development⁶

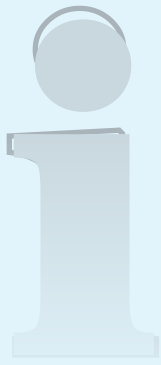
Target : 85% satisfaction
Performance: 63% of respondents were satisfied or very satisfied—*not achieved* 

Reduce the number of vacant shops in the city centre

Target : Decrease the number of vacant shops from 12 (as at June 2013)
Performance: Number of vacant shops reduced from 12 to 10—*achieved* 

NOTE:

6. These performance measures are directly related to the results of the Annual Community Survey, which was carried out in February 2014.



Understanding why targets were not achieved

PROVISION OF INFORMATION BY COUNCIL ON COUNCIL AFFAIRS

Almost three quarters of respondents (75%) were satisfied with the provision of information by the Council on Council affairs, this is a 2% increase from 2013. Comments received during the Annual Community Survey, carried out in February 2014, indicated that respondents would like more communication/ information delivered via rates inserts, the Leader, email, or the Upper Hutt City Council website. Council will follow up these suggestions during the coming year.

STREET LIGHTING

This year, 83% 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%. Network faults are generally where large areas of lights are out at any time. While Council logs all outages, the repair work is often undertaken by a third party, which is beyond Council's control. Currently, parts of the city centre are being upgraded with LED lighting which is more efficient and provides improved illumination. A proposal for a wider LED upgrade will be considered as part of the Long Term Plan 2015 – 2025.

INTERRUPTIONS TO THE WATER SUPPLY

Due to many factors such as technical, engineering and location difficulties, it is not always possible to complete water leak repairs within two hours. The majority of the jobs that do not meet this time frame are completed within three hours.

SOLID WASTE

There are many other alternative private waste service providers operating in Upper Hutt and Council does not have access to all of the kerbside weight or participation data, therefore, Council must average the data it does have across the city. The actual figures may be different from those reported here.

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 two different service providers. Data supplied by both providers has shown that the number of participants increased from 4121 to 4581 (11%) over the last 12 months. Results from the Annual Community Survey showed the respondent's satisfaction level for recycling significantly increased by 18% over the last 12 months. While the target has not been achieved, it is worth noting the volume of recycling from households that recycle has increased by 20% from the previous year.



PLANNING AND REGULATORY SERVICES

The Council's target for resource management practices (which implements rules over land use), has not been met this year. This is likely because the work often involves controversial planning projects including plan changes, along with contentious applications/issues, which evoke strong reactions from the public. From a pool of 406 residents surveyed only 54% answered this question indicating that many people are unfamiliar or are never exposed to resource management practices.

Only 54% answered this question indicating that many people are unfamiliar or are never exposed to resource management practices.

CONTROL OF DOG NUISANCES

Even though the Council's approach to animal control has remained consistent with previous years, the control of dog nuisances in the city received a satisfaction rating of 81%, once again narrowly missing the target of 85% satisfaction. This may be indicative of people being more aware of restrictions imposed by the Council Dog Policy.

PARKING ENFORCEMENT

It is difficult to reason why the respondents' satisfaction with the enforcement of parking requirements in the city centre dropped to 81% (1% down on 2013)—the target being 90%. Thirty-five percent less tickets were issued during the 2013 – 2014 period, partly due to a reduction in patrolling hours by parking wardens, and partly due to the decision to discontinue issuing tickets within residential areas. Council's parking enforcement function generates divergent views in the community as to whether there should be more or less enforcement, and inevitably attracts a level of dissatisfaction as a result. The result may be another example of the new benchmark stemming from the change in survey methodology.

LAND INFORMATION MEMORANDUM (LIM)

With respect to the LIMs 97.9% (323 of 330) were processed on time within the period. The target not being achieved was partly due to receiving 28 LIM applications (approximately four weeks' worth of processing) from one applicant on the same day in addition to the usual numbers. The Council does not have the resources to process an extraordinary number such as this. Officers liaised with the applicant keeping them informed of progress, and processed the other LIMs received over the period within the statutory time.

H²O XTREAM SATISFACTION

Satisfaction with the range of quality aquatic leisure opportunities provided for people of all ages and abilities was again 90%, as in 2012. It is likely this stems from the new benchmark.

H²O XTREAM ATTENDANCE FIGURES

Pool attendance is reported to be down both nationally and across the majority of the region. Lower attendance this year could be attributed to two pool closures, one due to earthquake strengthening and the other during the installation of the UV system.





CITY LIBRARY—ITEMS ISSUED

In common with other public libraries, both nationally and internationally, the Library is changing its service from a high volume, low value transactional model, to that reflecting lower volume and higher value. This is evidenced by the increasing number of visitors using the library for services other than borrowing books. Although the Library has seen a steady decline in the number of issues, the total number of visitors to the Library increases every year. The last 12 months saw an increase of 21,715 visitors from the previous year with people taking advantage of the computers, free internet, and the numerous activities on offer every day in the Library.

CITY LIBRARY—WEBSITE VISITS

Comparison data to previous years does not reflect true website use as Council has introduced a new reporting method this year which counts a different level of activity. The website analysis tool previously used, only provided high level information. The new website analysis tool allows more informative data collection such as; what pages are being viewed, various demographics, how long users stay on a page, whether information is being downloaded or being forwarded on, to name a few.

EXPRESSIONS ARTS AND ENTERTAINMENT CENTRE

Community satisfaction with the range of arts opportunities provided at Expressions Arts and Entertainment Centre was 86% satisfaction compared to 85% in 2013 (90% target). Once again, this is likely the result of the new benchmark.

ECONOMIC DEVELOPMENT

Almost two thirds of respondents (63%) are satisfied with Council's role in supporting economic development, similar to 2013 but still falling short of the 85% target. Comments from those people dissatisfied inferred that Council should strategically target and encourage economic growth, and that Council should be proactive in filling empty shops, lowering rents and providing better service. Further comments included creating a new identity, and strengthening marketing.

Council will continue to increase its efforts in this area through our Economic Development Stimulus Policy, with the view to improving the balance between public satisfaction and level of expenditure.

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 2014 fairly reflect the financial position, operations, and the non-financial performance of Upper Hutt City Council.



W N Guppy
MAYOR

C B Upton
CHIEF EXECUTIVE

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 annual report for the year ended 30 June 2014

The Auditor-General is the auditor of Upper Hutt City Council (the City Council) and group. The Auditor-General has appointed me, Phil Kennerley, using the staff and resources of Audit New Zealand to audit:

- the financial statements of the City Council and group that comprise:
 - the statement of financial position as at 30 June 2014 on page 123;
 - the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year ended 30 June 2014 on pages 124 to 127;
 - the funding impact statement of the City Council on page 84;
 - the statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on pages 33 to 82; and
 - the notes to the financial statements that include accounting policies and other explanatory information about the financial statements on pages 106 to 177;
- the statement of service provision (referred to as the Report of Council Performance by Activity) of the City Council on pages 33 to 82 and the funding impact statements in relation to each group of activities of the City Council on pages 85 to 94; and
- the disclosures of the City Council that are required by the Local Government (Financial Reporting and Prudence) Regulations 2014 on pages 95 to 103.

In addition, the Auditor-General has appointed me to report on whether the City Council and group's annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, where applicable, by including:

- information about:
 - internal borrowing on page 154;
 - council-controlled organisations on pages 68 to 77;
 - reserve funds on pages 163 to 168;
 - each group of activities carried out by the City Council on pages 85 to 94;
 - remuneration paid to the elected members and certain employees of the City Council on pages 172, 173 and 174;

- employee staffing levels and remuneration on page 175;
- severance payments on page 175;
- rating base units on page 130; and
- insurance of assets on page 162.
- a report on the activities undertaken by the City Council and group to establish and maintain processes to provide opportunities for Maori to contribute to the Council's decision-making processes on page 36; and
- a statement of compliance signed by the mayor of the Council, and by the City Council and group's chief executive on page 27; and

Opinion

Audited information

In our opinion:

- the financial statements of the City Council and group on pages 106 to 177:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect:
 - the City Council and group's financial position as at 30 June 2014; and
 - the results of its operations and cash flows for the year ended on that date.
- the funding impact statement of the City Council on page 84 fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan.
- the statements about budgeted and actual capital expenditure in relation to each group of activities of the City Council on pages 33 to 82 fairly reflect by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's long-term plan or annual plan.
- the statement of service provision of the City Council on pages 33 to 82:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects the City Council's levels of service for the year ended 30 June 2014, including:
 - the levels of service as measured against the intended levels of service adopted in the long-term plan; and
 - the reasons for any significant variances between the actual service and the expected service.

- the funding impact statements in relation to each group of activities of the City Council on pages 85 to 94 fairly reflect by each group of activities, the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term plan.
- the disclosures on pages 95 to 103 represent a complete list of required disclosures and accurately reflect the information drawn from the City Council's audited information.

Compliance with the other requirements of schedule 10

In our opinion, which is not an audit opinion, the City Council and group's annual report complies with the *Other Requirements* of schedule 10 that are applicable to the annual report.

Our audit was completed on 29 October 2014. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the information we audited is free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that, in our judgement, are likely to influence readers' overall understanding of the financial statements and statement of service provision. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the information we audited. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the information we audited, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the City Council and group's preparation of the information we audited that fairly reflect the matters to which they relate. We consider internal control in order to design procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the City Council and group's internal control.

An audit also involves evaluating:

- the appropriateness of accounting policies used and whether they have been consistently applied;
- the reasonableness of the significant accounting estimates and judgements made by the Council;
- the adequacy of all disclosures in the information we audited;
- determining the appropriateness of the reported [description used by the Council Type for the statement of service provision] within the Council's framework for reporting performance; and

- the overall presentation of the information we audited.

We did not examine every transaction, nor do we guarantee complete accuracy of the information we audited.

When reporting on whether the annual report complies with the *Other Requirements* of schedule 10 of the Local Government Act 2002, our procedures were limited to making sure the information required by schedule 10 was included in the annual report, where relevant, and identifying material inconsistencies, if any, with the information we audited. This work was carried out in accordance with International Standard on Auditing (New Zealand) 720; *The Auditor's Responsibilities Relating to Other Information in Documents Containing Audited Financial Statements*. As a result, we do not express an audit opinion on the City Council's compliance with the requirements of schedule 10.

We did not evaluate the security and controls over the electronic publication of the information we are required to audit and report on. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate evidence to provide a basis for our opinion.

Responsibilities of the Council

The Council is responsible for preparing:

- financial statements and the statement of service provision that:
 - comply with generally accepted accounting practice in New Zealand;
 - fairly reflect the City Council and group's financial position, financial performance and cash flows;
 - fairly reflect its service performance, including achievements compared to forecast;
- a funding impact statement that fairly reflects the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's annual plan;
- funding impact statements in relation to each group of activities that fairly reflects by each group of activities the amount of funds produced from each source of funding and how the funds were applied as compared to the information included in the City Council's long-term plan;
- statements about budgeted and actual capital expenditure in relation to each group of activities that fairly reflects by each group of activities the capital expenditure spent as compared to the amounts budgeted and set out in the City Council's long-term plan or annual plan;
- disclosures in accordance with the requirements of the Local Government (Financial Reporting and Prudence) Regulations 2014; and
- the other information in accordance with the requirements of schedule 10 of the Local Government Act 2002.

The Council is responsible for such internal control as it determines is necessary to ensure that the annual report is free from material misstatement, whether due to fraud or error. The Council is also responsible for the publication of the annual report, whether in printed or electronic form.

The Council's responsibilities arise under the Local Government Act 2002.

Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the information we are required to audit, and whether the Council has complied with the *Other Requirements* of schedule 10, and reporting that opinion to you. Our responsibility arises under section 15 of the Public Audit Act 2001 and section 99 of the Local Government Act 2002.

Independence

When carrying out this audit, which includes our report on the *Other Requirements*, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the External Reporting Board. Other than this audit, which includes our report on the *Other Requirements*, 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

Leadership

Leadership includes the role and functions of the Mayor and elected members who are responsible for setting the policy direction for the Upper Hutt City Council. This includes long and short term planning, community consultation, monitoring and reporting on progress.

Actions undertaken to support the community

Regional Governance/Local Government Commission

Upper Hutt City Council undertook extensive consultation in 2012 and 2013 to understand our community's views on local governance for Upper Hutt and the wider Wellington region. The majority of Upper Hutt residents wanted Upper Hutt's governance structure to stay the same, with many also wanting to increase shared services across the region. Resultantly, Upper Hutt City Council submitted an enhanced shared services proposal that also supported the Wairarapa's application to amalgamate the three smallest councils in the region to form a stand-alone unitary authority for the Wairarapa.

In early 2014, the Local Government Commission considered the initial reorganisation and subsequent alternative application proposals, with respect to changes to the regional governance of the Greater Wellington Region. The Commission was due to make an announcement in March 2014 about its preferred option. However, due to the high number of submissions regarding the Commission's amalgamation proposals for the other regions in New Zealand (Northland and the Hawkes Bay), the Commission postponed its announcement for the Wellington region until after the 2014 New Zealand General Election.

Following any future announcement, Council will again consult with the community and make a further submission on whatever the Commission proposes. Following that – the community will also likely have the opportunity to vote against any change in governance structure via a poll. If the poll is defeated, then the status quo will remain.

Local Body Elections 2013

Subsequent to the October 2013 Local Government Elections, Mayor Wayne Guppy and the ten Councillors (four of which are new) were officially sworn in at the Triennial Meeting of Council on 23 October 2013. Councillor contact information can be found on the last page of this report.

Remembrance Day (also known as Armistice Day)

On 11 November 2013, Upper Hutt City held a Remembrance Day ceremony in conjunction with the Upper Hutt RSA. The ceremony comprised of the unveiling of additional plaques and the laying of wreaths in the remembrance area under the Now Granddad statue.

Wellington Regional Mayoral Forum

On 22 November 2013, His Worship the Mayor was re-elected to serve a sixth term as Chair of the Wellington Region Mayoral Forum.

The Mayor out-and-about

Once again the Mayor had a very full schedule attending several awards ceremonies, graduations, school prize-givings, business group meetings, advocacy groups, and unveilings, to name a few. The

Mayor also continued his regular monthly 'Hot seat' at the library, which provides an informal setting for anyone to come and speak with the Mayor.

Citizenship

Three citizenship ceremonies have been held at Expressions Arts and Entertainment Centre this year. In total, 283 people became New Zealand citizens in Upper Hutt, bringing vibrant and diverse cultures into our community from a wide array of countries (27 in total). These include: Australia, Bulgaria, Cambodia, Canada, China, Fiji, Guyana, Hungary, India, Israel, Malaysia, Nepal, Pakistan, Philippines, Poland, Samoa, South Africa, South Sudan, Sweden, Thailand, Turkey, United Kingdom, United States of America, Vietnam, Zambia and Zimbabwe.

100 year commemoration of the Benge and Pratt store explosion

The Mayor and a number of Councillors attended the 100 year commemoration of the Benge and Pratt Store explosion where eight people were killed. A wreath was laid in the 'Now Granddad' area at the front of the Council buildings along with a plaque unveiling near the actual site of the store.

Long Term Plan 2015 – 2025

For the upcoming Long Term Plan (LTP) Council has been focussed on ways to improve the process and enhance the end result. For example, Council has developed a prioritisation matrix tool that focusses initiatives and new projects on the city vision in an aligned and united way. Work has also been focussed on the recent amendments to the Local Government Act (2002), which entail a number of significant changes to the LTP development process. Many of these changes will permanently increase the legislative compliance workload for council officers.

Sustainability

A number of initiatives and work streams were undertaken through the sustainability strategy funding in 2013 – 2014, including the river restoration project scientific investigations, environmental education and action projects (school waste audits, Movin March, walk to school, walk to work, park and stride, scavenger hunt, etc.) and healthy home audits.

Energy

In February 2013, UHCC joined the All of Government (AoG) procurement contracts¹ for electricity. This was based on a forecast analysis that showed UHCC would maintain its current costs (a 0% increase) for its electricity consumption over the cumulative duration of the combined contracts².

The other significant contributor to shifting energy consumption and costs was the shift from partial electric water heating (via heat pumps) to 100% gas heating at H²O Xstream. See page 69 for more information relating to H²O Xstream's operations and energy audit.

Regional Greenhouse Gas inventory and projections

Upper Hutt City Council has established a consortium with the other Councils of the Wellington Region for an updated Greenhouse Gas (GHG) inventory and projections report. The regional report presented the separate emission profiles and projections for all the local territorial authorities, as well as combining the results into an overall regional GHG emissions report for the Wellington Region. The original GHG

¹ Please note that there are separate contracts and pricing structures for larger Time of Use (TOU) accounts and smaller Non Half Hour (NHH) accounts.

² The contracts run for different durations e.g. 3 years (TOU) and 2 years (NHH).

inventory was undertaken in 2006. This was updated in 2013 – 2014. Since 2001, the region's overall emissions have stabilised and started to decline ever so slightly (-3%) alongside relatively steady population and economic growth which is great to see. However, this good news is tempered by the growing threat of severe global climate change impacts expected within the current generation's lifetime. The Wellington region's infrastructure in particular is extremely vulnerable to sea level rise (due to coastal erosion) and increased extreme weather events (e.g. flooding/landslide risk, drought/water supply vulnerability, ecology vulnerability, etc.). The aforementioned report will provide a platform for consideration of development pathways for a regional strategy for climate change impacts adaptation and mitigation.

Waste minimisation

In the latter half of 2013, two new waste minimisation initiatives have been trialled in Upper Hutt:

1. Recycling at public events in the city centre has been tested with the support of Low Cost Bins. Customised event recycling bin lids using 'inform at a glance' logos were jointly designed and purchased by Upper Hutt City Council, Hutt City Council and Kāpiti Coast District Council. The lids are shared and utilised by the partner cities for large and small events.
2. Implementing the 'bin bank' style waste and recycling management system to reduce the Upper Hutt City Council's internal footprint. The new system has done away with over 150 personal rubbish bins.

Breakaway Festival

The inaugural Breakaway Festival of Cycling took place in September 2013. The festival included 20 events city-wide. The events were well-attended building a positive outcome for future cycling festivals.

Performance measures

Council is meeting the majority of its 39* performance targets at year's end.



Target: 80% of all performance targets are met at the end of this year

Performance: 56% of performance measures were met—*not achieved*

Community satisfaction with the provision of information by Council¹



Target: 90% satisfaction

Performance: 75% of respondents were satisfied or very satisfied—*not achieved*

Almost three quarters of respondents (75%) were satisfied with the provision of information by the Council on Council affairs; this is a 2% increase from 2013. Comments received during the Annual Community Survey, carried out in February 2014, indicated that respondents would like more communication/information delivered via rates inserts, the Leader, email, or the Upper Hutt City Council website. Council will follow up these suggestions during the coming year.

* The number of performance measures identified in the Long Term Plan 2012 – 2022 was 32. When subordinate measures are also counted, the number increases to 38. Also during 2013 – 2014 the performance measure for 'processing building consents and LIMs within the statutory timeframes' was split into two sections, bringing the total number of Performance Measures to 39.

¹ Annual Community Survey, carried out in February 2014.

Contributions to decision making processes by Maori

The Council has a close relationship with Orongomai Marae to provide opportunities for Maori to contribute to decision making and to the spirit and values of the Council.

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

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 e Upoko o te Ika a Maui and the Wellington Tenth Trust in relation to issues relating to land, water or air.

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Sustainability strategy	42	46	Completed
Total Leadership works programme	42	46	

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 Facilities.

Cost of service statement

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	2,097	2,160	2,243
Operating income	123	170	102
Total operating revenue	2,220	2,330	2,345
Operating costs	2,230	2,190	2,347
Interest	0	0	0
Depreciation	0	0	0
Total operating costs	2,230	2,190	2,347
Operating surplus/ (deficit)	(10)	140	(2)
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	0	0	0
Operating (surplus)/ deficit	10	(140)	2
Transfer to funds	0	0	0
Total funding required	10	(140)	2
Funded by			
Funding from non-cash expenses	10	(140)	2
Loans raised	0	0	0
Transfer from funds	0	0	0
Transfer from funds applied	10	(140)	2

Land Transport

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.

Actions undertaken to support the community

New gantry style signs

Two new signs—north-facing and south-facing—have been erected on State Highway 2, close to the Gibbons Street intersection in Upper Hutt. Gibbons Street has long been the main exit off the highway for travellers to access Upper Hutt's city centre that, up until now, has not been adequately signposted.

The signs have been particularly welcomed by the local retail and tourism sector operators who see the signs' potential to direct visitors to the city centre precinct.

Blenheim/Brown Street pedestrian crossings

Concern over a number of near misses on the Blenheim Street crossings resulted in a safety audit being conducted. The audit recommended redesigning the intersection, including moving the pedestrian crossings away from the intersection a short distance to allow drivers more time to see movement on the crossings. Other safety additions included the installation of amber LED lights on the centre island that flash alternately once a person is detected on the crossing.

Other work carried out under the Land Transport activity includes:

- A combined walking and cycle path has been constructed between Sunstone Crescent and the Brown Owl subway.
- Thresholds (speed-humps and narrowing of the street) have been constructed at the Wilford Street/Ward Street and Wilford Street/Lane Street intersections as part of traffic calming works.
- Cycle lanes have been installed on the resurfaced section of Alexander Road.
- New signs have been installed in Whiteman's Valley requesting cyclists to ride in single file. Signs have also been installed at key junctions along Fergusson Drive notifying the distance to the city centre.
- A pedestrian refuge was constructed at the corner of Gard Street and Gloucester Street in Silverstream.
- The electronic school signs at Silverstream School were updated to the new computer controlled signs, similar to the signs that have been installed at Totara Park and Birchville Schools.
- The 40kph signs at Mangaroa School were updated to make them more reliable, and radar detection has been added that makes the red circle flash when vehicles are exceeding the temporary speed limit.
- 84,446m² of resurfacing work was completed during the year.
- 5,457m² of footpath was completed during the year.
- 700m of kerb and channel was completed during the year.

Performance measures

Average **smoothness of all city roads** ²



Target: Less than or equal to 120 NAASRA* counts

Performance: Average smoothness was 118 NAASRA counts —*achieved*

Community satisfaction with the **street lighting** throughout the city ¹



Target: 90% satisfaction

Performance: 83% of respondents were satisfied or very satisfied—*not achieved*

This year, 83% 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%. Network faults are generally where large areas of lights are out at any time. While Council logs all outages, the repair work is often undertaken by a third party, which is beyond Council's control. Currently, parts of the city centre are being upgraded with LED lighting which is more efficient and provides improved illumination. A proposal for a wider LED upgrade will be considered as part of the Long Term Plan 2015 – 2025.

Community satisfaction with the **cleanliness** of the city's streets ¹



Target: 90% satisfaction

Performance: 90% of respondents were satisfied or very satisfied—*achieved*

Assessment of **footpath** conditions to mitigate dangerous surface conditions developing ³



Target: 90% have a defect value of 29 or less

Performance: 97.4% were within a defects value of 29 or less—*achieved*

* 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.

1. Annual Community Survey
2. In-house monitoring using data received from the Road Asset Maintenance Management System contract
3. 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

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Asset management – to replace existing assets			
Street drainage	298	389	Achieved as per the programme
Resealing	1,226	1,145	Achieved as per the programme
Road marking and signage	263	194	Achieved as per the programme
Lighting	128	128	Achieved as per the programme
Minor safety	219	157	Two projects were delayed and the funds were carried forward
Footpaths	408	407	Achieved as per the programme
Carparks and bus shelters	17	11	Achieved as per the programme
Litter bin replacement	4	4	Achieved as per the programme
Structures component replacement	15	12	Achieved as per the programme
Miscellaneous work	25	0	Part of Blue Mountains Road improvements that were not completed
Capital works – to improve level of service			
Enhance cycle and walkway linkages – Hutt River Trail extension on stopbank	578	148	Work proceeded late due to Council having to find the total funding as NZTA did not subsidise. Work to be completed in 2014-15
Revitalisation of Upper Hutt's city centre	645	41	Work is in progress with stage 1 being combined with stage 2 to be completed in 2014-2015
Akatarawa Road safety upgrade	608	0	Work was not funded by NZTA, Council's share was carried forward into 2014-2015 to combine with future non-subsidised works
City gateway signage	310	221	Signage provided at Gibbons Street
Norana Road improvement	0	60	Part of the Sunstone Crescent to subway cycle/footpath and it was funded by developer contributions
Total land transport works programme	4,744	2,917	

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Project			
Blue Mountains Road upgrade	24	24	Special funds
Road safety	40	40	NZTA/Accumulated funds
Total	64	64	

Cost of service statement

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	4,479	4,699	5,200
Operating income	3,640	3,613	3,873
Total operating revenue	8,119	8,312	9,073
Operating costs	3,757	3,780	4,319
Interest	271	329	362
Depreciation	4,117	4,095	4,120
Total operating costs	8,145	8,204	8,801
Operating surplus/ (deficit)	(26)	108	272
Capital and reserves funding statement			
Capital expenditure	2,941	2,567	4,744
Loans repayments	353	354	353
Operating (surplus)/ deficit	26	(108)	(272)
Transfer to funds	34	14	354
Total funding required	3,354	2,827	5,179
Funded by			
Funding from non-cash expenses	2,924	2,827	3,378
Loans raised	411	0	1,801
Transfer from funds	19	0	0
Accumulated funds	0	0	0
Transfer from funds applied	3,354	2,827	5,179

Water supply

The water supply activity, contracted to Capacity Infrastructure Services, 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.

Actions undertaken to support the community

Physical work contracts (Contract Numbers - 535 and 543) for water renewals have been completed. Work was undertaken in Victoria Street, Kowhai Avenue, Royal Street, Kiln Street, Harewood Grove, Matuku Street, and Huia Grove.

The Seddon Street bore was upgraded.

The routine summer water restriction promotion was undertaken, including the use of city billboards, flyers, and newspaper advertising.

Performance measures

Compliance with NZ drinking water standard ²



Target: Maintenance of our existing A1a grading

Performance: Maintained A1a grading—*achieved*

Community satisfaction with water supply service ¹



Target: 95% satisfaction

Performance: 94% of respondents were satisfied or very satisfied—*not achieved*

Interruptions to the water supply ³



Target: 97% of individual consumers who experience unplanned water disruptions have the service restored within two hours

Performance: 93%—*not achieved*

Due to the many factors (including technical, engineering and location difficulties) influencing water leaks it is not always possible to complete repairs within two hours. Most of the jobs that do not meet this time frame are completed within three hours.

¹. Annual Community Survey

². Ministry of Health Rating

³. In-house monitoring of maintenance contract

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Asset management – to replace existing assets			
Pipeline renewal	827	833	All work has been completed
Miscellaneous works	104	105	All work has been completed
Capital works – to improve the level of service			
Pressure management	83	84	Completed
Total water supply works programme	1,014	1,022	

Cost of service statement

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	4,686	4,235	4,763
Operating income	1,647	1,472	1,449
Total operating revenue	6,333	5,707	6,212
Operating costs	5,198	4,617	4,920
Interest	30	30	34
Depreciation	1,596	1,561	1,570
Total operating costs	6,824	6,208	6,524
Operating surplus/ (deficit)	(491)	(501)	(312)
Capital and reserves funding statement			
Capital expenditure	1,022	1,046	1,014
Loans repayments	71	75	71
Operating (surplus)/ deficit	491	501	312
Transfer to funds	0	0	0
Total funding required	1,584	1,622	1,397
Funded by			
Funding from non-cash expenses	1,484	1,346	1,297
Loans raised	0	186	0
Transfer from funds	100	90	100
Accumulated funds	0	0	0
Transfer from funds applied	1,584	1,622	1,397

Wastewater

The wastewater system, contracted to Capacity Infrastructure Services, 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.

Actions undertaken to support the community

Physical work contracts (Contract Numbers - 537, 557, and 566) for wastewater renewals were let. Work has been completed on Forest Road and Elmslie Road (stage 1). Money has been carried over to complete Elmslie Road (stage 2) and Whakatiki Street. These projects were delayed due to the change in scope for Whakatiki Street to include an additional development. Elmslie Road was delayed as the contractors were required on an urgent job (treatment plant outfall pipeline).

A citywide, planned repair program (post review of CCTV footage) of wastewater infrastructure (eg pipes) has been completed.

Performance measures

Minimise interruptions to the ability to use the wastewater system ¹



Target: 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

Performance: 100%—*achieved*

Minimise number of blockages* on Council mains ²



Target: Less than two blockages reported per kilometre of pipeline

Performance: 0.54 blockages per kilometre—*achieved*

1. In-house monitoring of UTCE contract

2. 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

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Asset management – to replace existing assets			
Pipeline renewal upgrade	1,267	742	Carryover of \$525K
Miscellaneous works	8	7	Wastewater pump station Telemetry upgrade completed
Capital works – to improve the level of service			
Wastewater project capital ³	533	303	Carryover of \$175K
Total wastewater works programme	1,808	1,052	

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Project			
Wastewater HVTWS project	90	90	Targeted rates account
Total	90	90	

³ 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, hence it is not totally within our control.

Cost of service statement

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	5,368	6,261	6,221
Operating income	714	354	785
Total operating revenue	6,082	6,615	7,006
Operating costs	4,372	4,699	4,657
Interest	711	807	753
Depreciation	3,035	3,201	3,217
Total operating costs	8,118	8,707	8,627
Operating surplus/ (deficit)	(2,036)	(2,092)	(1,621)
Capital and reserves funding statement			
Capital expenditure	1,142	1,704	1,808
Loans repayments	183	175	183
Operating (surplus)/ deficit	2,036	2,092	1,621
Transfer to funds	0	0	0
Total funding required	3,361	3,971	3,612
Funded by			
Funding from non-cash expenses	2,785	3,405	2,896
Loans raised	303	188	533
Transfer from funds	273	378	183
Accumulated funds	0	0	0
Transfer from funds applied	3,361	3,971	3,612

Stormwater

The stormwater activity, contracted to Capacity Infrastructure Services, 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 (GWRC).

Actions undertaken to support the community

Physical work contracts (Contract Numbers - 536, 537, 542, and 560) for stormwater renewals have been completed. Work was undertaken in Turon Crescent, Rata Street, Rongonui Street, Elmslie Road, Holdsworth Road, Shakespeare Avenue, Byron Street and Bristol Street.

A citywide planned repair (post review of CCTV footage) of stormwater infrastructure (eg pipes) has been completed.

Performance measures

Preventative measures are undertaken to ensure that no flooding occurs within habitable buildings during a 1:50 year rainfall event ¹



Target: Zero reports of inhabited buildings being flooded

Performance: Zero reports—*achieved*

¹ In-house monitoring – service calls database

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Asset management – to replace existing assets			
Pipeline renewal	755	742	Completed
Telemetry upgrade	9	9	Completed
Total stormwater works programme	764	751	

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
Projects			
Pinehaven Stream study	14	4	Targeted rates – carryover of \$3.5K into 2014 – 2015
Sunbrae Drive	50	0	Targeted rates – carryover of \$50K into 2014 – 2015 (awaiting decision on final upgrade option for Pinehaven)
Stormwater model calibration	20	20	Targeted rates
Total	84	24	

Cost of service statement

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	2,242	2,115	2,272
Operating income	419	376	612
Total operating revenue	2,661	2,491	2,884
Operating costs			
Operating costs	1,752	1,612	1,725
Interest	0	0	0
Depreciation	1,582	1,501	1,522
Total operating costs	3,334	3,113	3,247
Operating surplus/ (deficit)	(673)	(622)	(363)
Capital and reserves funding statement			
Capital expenditure	751	733	764
Loans repayments	0	0	0
Operating (surplus)/ deficit	673	622	363
Transfer to funds	0	39	0
Total funding required	1,424	1,394	1,127
Funded by			
Funding from non-cash expenses	1,424	1,344	1,077
Loans raised	0	0	0
Transfer from funds	0	50	50
Accumulated funds	0	0	0
Transfer from funds applied	1,424	1,394	1,127

Solid waste

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

Actions undertaken to support the community

Waste minimisation

Upper Hutt City Council is signatory to the statutorily required Wellington Region Waste Minimisation and Management Plan (WMMP). This plan is the only collaborative WMMP of this scale in New Zealand. It includes local actions for Upper Hutt and the other seven local authorities within the region, and joint regional activities which are managed through the WMMP Steering Committee. The regional actions are led by officers of the individual Councils and to date, the only source of actions that has seen activity 'on the ground' has stemmed from WMMP Regional Action 9 (R9), the Wellington Region Waste Minimisation Education Strategy (WMES). The drafting and adoption of WMES was delivered by Upper Hutt City Council with the support of the other local authorities and the regional authority. Activity stemming out of the WMES project is now attracting regional funding. This is a significant achievement in light of the diverse requirements of the stakeholders involved.

Council participated with the other Councils within the Wellington region in implementing the following actions of the Regional Waste Management and Minimisation Plan 2011 -2017:

- R1: Development of a joint solid waste bylaw to investigate consistencies / inconsistencies between each authority's bylaw
- R2: Explore shared services contracts / agreements
- R5: Waste Minimisation Fund Bids
- R6: Investigate and agree a process for considering waste projects for regional funding
- R7: Enhance packaging design controls and extended producer responsibility for packaging materials
- R9: Waste Education Strategy
- R11: Industrial Resource Recovery

Performance measures

Reduce the annual tonnage of waste collected and sent to the local landfill ²



Target: Maintain a compounding target of reducing the waste collected per household on average by 10% per annum

Performance: The waste collected by Council contractors across Upper Hutt has reduced by 9.6% for the 2013 – 2014 year— *not achieved*

There are many other alternative private waste service providers operating in Upper Hutt and Council does not have access to all of the kerbside weight or participation data therefore, Council must average the data it does have across the city. The actual figures may be different from those reported here.

Promote recycling within Upper Hutt with the goal of increasing the participation rate of households ¹



Target: Achieve a 60% participation rate of households using the kerbside recycling service

Performance: 32.4% of households use a recycling service provider— *not achieved*

Data supplied by service providers has shown that the number of participants increased from 4121 to 4581 (11%) over the last 12 months. Results from the Annual Community Survey showed the respondents' satisfaction level for recycling significantly increased by 18% over the last 12 months. While the target has not been achieved, it is worth noting the volume of recycling from households that recycle has increased by 20% from the previous year.

1. In-house report using contractor's data (please note: this measure was incorrectly identified as coming from the Annual Community Survey in the Long Term Plan 2012 – 2022).
2. In-house report using contractor's data

Works Programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Project			
Waste management and minimisation plan regional projects	7	14	Projects completed under budget by utilising in-house resources
Waste management and minimisation plan – Upper Hutt projects	3	1	Projects completed under budget by utilising in-house resources
Total rubbish and recycling works programme	10	15	

Cost of service statement

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	(480)	(344)	(443)
Operating income	627	593	591
Total operating revenue	147	249	148
Operating costs	147	249	148
Interest	0	0	0
Depreciation	0	0	0
Total operating costs	147	249	148
Operating surplus/ (deficit)	0	0	0
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	0	0	0
Operating (surplus)/ deficit	0	0	0
Transfer to funds	0	0	0
Total funding required	0	0	0
Funded by			
Funding from non-cash expenses	0	0	0
Loans raised	0	0	0
Transfer from funds	0	0	0
Transfer from funds applied	0	0	0

Planning and regulatory services

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.

City planning

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

Building control

As a Building Consent Authority, Council performs the following main functions: maintains records of Building Warrants of Fitness; issues Building Consents; inspects building work; issues Notices to Fix; issues Compliance Schedules; and issues Code of Compliance Certificates.

As a territorial authority, Council performs the following main functions: issues Project Information Memorandums; issues Certificates of Acceptance; and issues Amendments to (existing) Compliance Schedules.

Environmental health

The Environmental Health activity is responsible for promoting public health and safety within the community. Upper Hutt City Council contracts out its environmental health services to Hutt City Council.

Animal control

The Animal Control activity controls dog nuisances and wandering stock within the city to maintain public safety.

Parking enforcement

The Parking Enforcement division is responsible for the management of parking within the central business district and suburban shopping areas.

Activities undertaken to support the community

City planning

Rural Strategy

During the year, Council began the process of developing a Rural Strategy which is intended to establish a vision for what rural Upper Hutt should look like in the next 10 to 20 years, and a roadmap setting out how that vision will be achieved.

The Rural Strategy will sit alongside the Urban Growth Strategy. The two strategies will be the overarching documents that will guide the future of our city as it evolves. To ensure that the two

documents are aligned, the Urban Growth Strategy is being reviewed in conjunction with the development of the Rural Strategy. This may result in the two documents being combined for greater effect.

Extensive community consultation was held to inform about the drafting of the Rural Strategy. The first round of consultations comprised a survey and nine public workshops held at different venues in Upper Hutt between 26 November 2013 – 14 February 2014. From this consultation, a document titled 'Developing the 2014 Rural Strategy' was prepared that summarised the issues and desired outcomes from the first round of consultations. The summary also identified a number of potential options that Council could take to achieve the desired outcomes. Engagement was also undertaken on 'Developing the 2014 Rural Strategy' from 26 March – 30 April 2014, culminating in the 'Summary of Feedback' document.

Plan changes

A number of plan changes were substantially progressed through the year:

Plan change 15	Flood and erosion hazard areas for the Hutt and Mangaroa Rivers– now on hold pending a peer review of the modelling work supporting the plan change.
Plan change 18	Comprehensive Residential Developments became operative on 14 August 2013.
Plan change 29	Southern Hills became operative on 14 August 2013.
Private plan change 36	Alexander Road rezoning from industrial to residential was declined by Council. On 1 November 2013, Council was served notice of appeal.
Plan change 37	Maidstone Terrace rezoning to residential (comprehensive residential developments overlay) – endorsed by Council on 25 June 2014. Appeals have since been lodged.
Plan change 38	Network utilities and renewable energy generation. Draft provisions have been updated to reflect comments received during public feedback.

Liquor licensing

Procedural and organisational changes to Council's Liquor Licensing function have been implemented as required by the Sale and Supply of Alcohol Act 2012.

Performance Measures

Process resource consents within the statutory timeframes ²



Target: 100% of resource consents will be processed within the statutory timeframes

Performance: 100% of all resource consents assessed within statutory timeframes—*achieved*

Community satisfaction with Council's current resource management practices



Target: 87.5% satisfaction

Performance: 65% of respondents were satisfied or very satisfied—*not achieved*

The Council's target for resource management practices (which implements rules over land use), has not been met this year. This is likely because the work often involves controversial planning projects including plan changes, along with contentious applications/issues, which evoke strong reactions from the public. From a pool of 406 residents surveyed only 54% answered this question indicating that many people are unfamiliar or are never exposed to resource management practices.

Community satisfaction with Council's building and compliance services provided ^{1 and 3}

Target 1: 92% satisfaction with the building consenting service ³



Performance: 95% of respondents were satisfied or very satisfied—*achieved*

Target 2: 85% satisfaction with the control of dog nuisances in the city ¹



Performance: 81% of respondents were satisfied or very satisfied—*not achieved*

Even though the Council's approach to animal control has remained consistent with previous years, the control of dog nuisances in the city received a satisfaction rating of 81%, once again narrowly missing the target of 85% satisfaction. This may be indicative of people being more aware of restrictions imposed by the Council Dog Policy.

Target 3: 90% satisfaction with the enforcement of parking requirements within the city centre ¹



Performance: 81% of respondents were satisfied or very satisfied—*not achieved*

It is difficult to reason why the respondents' satisfaction with the enforcement of parking requirements in the city centre dropped to 81% (1% down on 2013) - the target being 90%. Thirty five percent less tickets were issued during the 2013 – 2014 period partly due to a reduction in patrolling hours by parking wardens, and partly due to the decision to discontinue issuing tickets within residential areas. Council's parking enforcement function generates divergent views in the community as to whether there should be more or less enforcement, and inevitably attracts a level of dissatisfaction as a result. The result may be another example of the new benchmark stemming from the change in survey methodology.

Process building consents and LIMs within the statutory timeframes ²



Target: 100% of building consents and LIMs will be processed within statutory timeframes

Performance: 100% of building consents—*achieved*
97.9% LIMs applications— *not achieved*

With respect to the LIMs, 97.9% (323 of 330) were processed on time within the period. The target not being achieved was partly due to receiving 28 LIM applications (approximately four weeks' worth of processing) from one applicant on the same day in addition to the usual numbers. The Council does not have the resources to process an extraordinary number such as this. Officers liaised with the applicant keeping them informed of progress, and processed the other LIMs received over the period within the statutory time.

Timeliness of food and hairdresser premises inspections ²



Target: 100% Food and hairdresser premises inspections – complete annual inspection of 100% of premises requiring health inspection for the future year by 30 June

Performance: 100%—*achieved*

Timeliness of response to complaints of excessive noise ²



Target: Complaints of excessive noise – respond within one hour to 90% of excessive noise reports being confirmed

Performance: 100%—*achieved*

Timeliness of initial response to reported dog attacks ²



Target: 100% of reported dog attacks will receive an initial response within two hours of the complaint being received

Performance: 100%—*achieved*

^{1.} Annual Community Survey ^{2.} In-house monitoring ^{3.} Building Consents Survey

Works programme

Projects		Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Project				
CP	District Plan review	70	42	Plan Change 37, Maidstone Terrace - notified and hearing held; Private Plan Change 36, Alexander Road - declined/appealed
CP	Urban Growth Strategy implementation	40	5	Preliminary analysis of available census data and demand and supply of industrial land. Rural issues managed through the development of a rural strategy, for which consultation has commenced and development of issues and options paper completed. Investigations underway into a combined strategy, which will continue in 2014-2015
CP	Maymorn Structure Plan	109	2	On hold pending completion of the Urban Growth Strategy Review and Rural Strategy
Total city planning works programme		219	49	

Approved carryover projects from previous years budgets

Projects		Budget (\$ 000)	Actual (\$ 000)	Funded by
CP	Planning - legal	10	8	Rates
CP	Urban Growth Strategy review	51	49	Rates
CP	District Plan review	45	45	Rates
CP	Maymorn Structure Plan	42	26	Rates
AC	Education	10	3	Special funds
CP	Habitat Improvement Study	87	3	Rates/Loans
Total		245	134	

CP = City planning

AC = Animal control

Cost of service statement

Amalgamations:			
	Actual	Actual	Budget
	30 June 2014	30 June 2013	30 June 2014
	(\$ 000)	(\$ 000)	(\$ 000)
• Building and compliance services			
• Planning			
Operating statement			
Rates	2,342	1,618	1,967
Operating income	2,129	2,028	2,039
Total operating revenue	4,471	3,646	4,006
Operating costs	3,812	3,377	5,810
Interest	48	0	67
Depreciation	0	14	3
Total operating costs	3,860	3,391	5,880
Operating surplus/ (deficit)	611	255	(1,874)
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	137	0	156
Operating (surplus)/ deficit	(611)	(255)	1,874
Transfer to funds	426	355	310
Total funding required	(48)	100	2,340
Funded by			
Funding from non-cash items	(51)	(450)	13
Loans raised	3	10	2,300
Loans to be raised	0	540	0
Transfer from funds	0	0	27
Accumulated funds	0	0	0
Transfer from funds applied	(48)	100	2,340

Community services

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.

Actions undertaken to support the community

Community Development

Youth

Youth Agency Hui

Council's youth activities continue to align with the national Youth Development Aotearoa Strategy to ensure young people's needs are identified and met. A Youth Agency Hui was held in April 2014 with local organisations and young people, to continue to recognise the needs of young people and to search for local solutions. Initiatives arising from these discussions are currently being developed through the Youth Development Upper Hutt Network and other organisations.

Young Achievers Awards

The annual *Young Achievers Awards* were declared Civic Awards for the first time this year. The event celebrated the achievements of the young people of Upper Hutt through an awards night in May. This event attracted a larger, more diverse audience than in previous years, as well as drawing guest speakers and performers from throughout the Wellington region.

X-ROADS

The X-ROADS event specifically targeted young people to encourage them to make good decisions around drinking, drugs and getting into vehicles. Co-led by Community Development and Hutt Valley Police, X-ROADS was attended by approximately 2000 college students.

Safety, Health and Wellbeing

How Can You Help?

This year saw the development of a digital community tool, *How Can You Help?* which sits alongside the Ministry of Social Development family violence prevention campaign, *It's not OK*. The aim of the tool is to teach community members how to be effective helpers in situations of family violence, and how to be part of creating healthy and safe communities.

Faith based leader's forum

A successful faith-based leader's forum was held to enable faith leaders to be educated about family violence and empowered to become leaders of change within their communities and throughout the wider Upper Hutt community. The forum was opened by the Children's Commissioner, Dr Russell Wills, alongside NZ Police, Ahuru Mōwai O Te Awakairangi (the network for a violence-free Hutt Valley) and the Ministry of Social Development.

Neighbours Night

Neighbours Night was an opportunity for the community of Timberlea to come together with free activities and entertainment – all focused on safety. This was a collaborative effort between NZ Police, NZ Fire, UHCC, Upper Hutt Neighbourhood Support and Wellington Region Emergency Management, Brown Owl Kindergarten, and Orongomai Marae. This event was facilitated as part of the Ministry of Justice-funded TOP (Together Our Place) Timberlea project, to prevent crime through supporting community connectivity and improving access to health and safety information and services.

Employment placement

Ministry of Social Development funded employment placement programme, *Em-Dev*, works with unemployed residents. Community Development and Library staff have delivered a number of initiatives to the local unemployed people. Support around pre-employment assistance was provided to 30 unemployed people, with 21 being successfully placed into permanent employment.

Speed dating

Council hosted teams hosted a *Speed Dating* opportunity for community groups to get to know one another and to provide a networking opportunity to increase collaboration and information-sharing in our city.

Carfit

Carfit, a community-led car clinic for older drivers, was introduced to our city's older residents. *Carfit* aims to have cars checked for ultimate comfort and safety. Introduced in collaboration with the Automobile Association, the ongoing delivery of the programme has now been handed over to the Lions Club to facilitate to ensure sustainability and empowerment of the community.

Raising Achievement Across our Youth Sector (RAAYS)

Council-led truancy system, *RAAYS* is a collaborative approach to addressing truancy that partners with Hutt Valley DHB, Hutt Valley Police and Child, Youth and Family. There are currently seven schools in our city that are using this intervention.

Increase capacity in safety: crime prevention, graffiti

Together Our Place (TOP) Timberlea

TOP Timberlea, a community resilience and crime prevention project, was successful in gaining Ministry of Justice funding. This collaborative approach aims to decrease crime and create a safer, healthier neighbourhood for families.

Chorus cabinets

Council continued to work alongside Chorus, The Learning Connexion and students from St Brendons and Trentham schools to paint murals across the city in an effort to eradicate graffiti and beautify most commonly vandalised Chorus cabinets. Other murals completed include Maidstone Park Turfs and a shop wall on the corner of Merton and Rimutaka Streets.

Activation

Parks and Places

Launched in February 2014, the Parks and Places project was a six-week calendar of activities offering Upper Hutt residents the opportunity to get outdoors and be active over summer. The activities catered to all people throughout Upper Hutt and were located across our parks and recreational facilities ('Places'). Activities were low cost (\$5 or less) or free, allowing participants to try out something new before committing long term.

Activation's Parks and Places also hosted one-off events that occurred during the six week programme, such as *'Bike the Trail,' 'Paws in the Park,'* and *'The Freestyle Jam Scooter Competition.'* A broad range of activities were available throughout the programme, including group evening trail runs, family bike rides, group dog walks, early morning boot-camp sessions, give-it-a-go opportunities, tai chi, Zumba, and a family amazing race.

Senior Badminton

Activation has established a social badminton league for senior players running twice a week during term time, with approximately 60 people taking part each week. Activation will be drawing upon its members to begin the process of establishing a club in the future.

Kiwisport

Kiwisport is a government funded programme administered by Sport Wellington for the entire Wellington region, the goal being to increase physical activity within children and youth. The Activation Kiwisport project aims to capture children participating in sport at intermediate school age, ensuring succession into college sport. Similarly, working with Year 12 and 13 college students to transition into club sport after school.

Highlights have included:

Year 9 Sport Transition Survey

This annual survey highlights the successes and areas where change is needed for the Activation Kiwisport project. Some 396 students were surveyed in Term 1 2014 from three Colleges in Upper Hutt.

Traditional/Non-Traditional College Sport Delivery

Part of the Activation Kiwisport project aimed to introduce non-traditional sports to the college arena, allowing students who are typically not playing traditional sports to try something new. Activation facilitated these sessions working closely with clubs in Upper Hutt.

Introductory sessions included:

- **Have A Go Sessions** – six sessions each of volleyball, tennis, speedball, badminton and Australian Football League (AFL) were run during break times at Upper Hutt College and Heretaunga College. All sessions were led by the local affiliated clubs and facilitated by Activation.
- **Duathlon/triathlon at St Patrick's College** - all Year 9 students completed four sessions of triathlon-focused swimming lessons, culminating in a duathlon held at the school. All Year 11, 12 and 13 students also completed a triathlon as part of the programme. Next year, Heretaunga College, Upper Hutt College, and Hutt International Boys School have been invited to participate in the event.
- **Water Polo at St Patrick's College** - Year 10 students took part in four sessions of water polo skills and game participation, followed by a mini tournament at lunchtimes. This programme was delivered by Hutt Water Polo Club and Wellington Water Polo.

ALIVE (Active Lifestyles – Innovative, Vibrant, Engaging)

The ALIVE project, a three year project funded by Sport New Zealand, aims to inspire inactive people in Upper Hutt to become active. This 12 week programme invited participants to try a range of activities at no cost, such as squash, darts, Nordic walking, Zumba, nutrition, and many more. Evaluations of the first programme have been distributed to registered participants.

ADAPT

The ADAPT project aims to engage people with disabilities into mainstream opportunities of active recreation. The project is in partnership with the Ministry of Social Development (funders). The project will commence in the 2014-2015 financial year.

Emergency management

Council supported the Mangaroa/Whitemans Valley Community Resilience Network in their development of a community response plan. This successful community-led initiative was also run in conjunction with Wellington Region Emergency Management, Hutt Valley Police, Upper Hutt Neighbourhood Support, Mangaroa School, Wellington Rural Fire and NZ Fire Service.

Performance measures

Satisfaction with the level of community engagement by the Community Development team³

Target: 90% satisfaction



Performance: 95% of respondents were satisfied or very satisfied—*achieved*

Level of satisfaction with the range and quality of local initiatives (community and Activation) provided to meet the needs of the Upper Hutt community²

Target: 80% of programme participants rate the initiative as being satisfactory or better at meeting the specific needs of the community. (5 key programmes will be evaluated)



Performance: 100% —*achieved* (Activation), 92.7% —*achieved* (Community)

Results for Community initiatives were based on: Women's Breakfast Club – 96.7%, At the Heart – 97.5%, Carfit Orongomai – 94%, and Timberlea Neighbours' Night – 86.5%

All of Activation participants found the workshops either satisfactory or above satisfactory in meeting their individual needs (70% rated above satisfactory). Workshops included BOYS readiness for school, Strapping Psychology in Sports, and Valuing Volunteers.

Our community is increasingly prepared for a civil defence emergency¹

Target: 75% satisfaction



Performance: 85% of households are prepared for a civil defence emergency—*achieved*

1. 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'
2. In-house monitoring
3. Annual Community Group Survey

Works programme

	Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
	Asset management – to replace existing assets			
EM	Vehicles	276	69	Replacement rural fire tanker chassis purchased
	Capital works – to improve the level of service			
EM	Relocate equipment to new emergency operations centre	50	00	Carried over to 2014 – 2015 to complete the seismic upgrade work associated with the civic buildings
EM	New emergency operations centre generator	60	0	Not required, existing generator is being upgraded
EM	New operations centre seismic upgrade	300	4	A new operations centre upgrade was not required, after further seismic investigation, except for the upgrading and relocation of the existing generator to service the library and civic administration building
	Projects			
CS	Youth strategy	11	5	Noted under 'Actions undertaken to support the community'
CS	Safe and healthy cities	22	19	As above
CS	Increase capacity in safety: crime prevention, graffiti	65	54	As above
AC	Activation	244	250	As above
	Total community services works programme	1,028	401	

CS = Community Services

AC = Activation

EM = Emergency Management

Cost of service statement—Community services

Amalgamations:			
	Actual	Actual	Budget
	30 June 2014	30 June 2013	30 June 2014
	(\$ 000)	(\$ 000)	(\$ 000)
• Community services			
• Activation			
• Emergency management			
Operating statement			
Rates	1,354	1,314	1,403
Operating income	477	231	206
Total operating revenue	1,831	1,545	1,609
Operating costs	1,646	1,388	1,468
Interest	0	0	10
Depreciation	24	29	74
Total operating costs	1,670	1,417	1,552
Operating surplus/ (deficit)	161	128	57
Capital and reserves funding statement			
Capital expenditure	72	0	686
Loans repayments	0	0	0
Operating (surplus)/ deficit	(161)	(128)	(57)
Transfer to funds	180	130	134
Transfer of non-rate funds	0	80	0
Total funding required	91	82	763
Funded by			
Funding from non-cash items	18	31	77
Non rate funding	46	51	0
Loans raised	4	0	350
Transfer from funds	23	0	336
Transfer from funds applied	91	82	763

Facilities

This activity ensures that a number of leisure facilities are provided in Upper Hutt, including H²O Xtream, the Central, Pinehaven and Mobile Libraries, Expressions Arts and Entertainment Centre and a wide range of playgrounds, parks, reserves, public gardens and the Akatarawa Cemetery.

H²O Xtream

H²O Xtream is a fun oriented aquatic facility which opened in 1996. While it has a focus on fun for 10-14 year olds, it is available for use by the community at large.

Central, Pinehaven and Mobile Libraries

The Library collects and maintains a wide range of information, recreational and local history material in a variety of formats. Access to the resources, both physical and digital is provided through a wide range of programmes and services to enable all sectors of the community to benefit from them. Specific emphasis is given to providing services to those groups with the greatest need and least ability to independently access the Library.

Expressions Arts and Entertainment Centre

The Expressions Arts and Entertainment Centre provides cultural, arts and leisure opportunities in the city, based within the centre. Expressions is the hub for audience engagement and participation in the arts and culture for Upper Hutt with a varied programme of special events, exhibitions, concerts and shows, workshops and education classes for schools, and community activities which vary throughout year.

Housed within the centre is the i-SITE Information Centre where hosts assist with transport, accommodation or leisure activity enquiries from the community and visitors to Upper Hutt. Expressions and the i-SITE offer free Wi-Fi and a café – now open seven days a week.

Expressions contributes to the economic development of Upper Hutt, by building relationships with partners, sponsors, and community groups to celebrate the identity of Upper Hutt, foster community pride and promote Upper Hutt as a great place to live.

Expressions is a Council Controlled Organisation (CCO).

Parks and reserves

The Parks and Reserves division is responsible for managing the city parks, reserves, sports fields, and public gardens, for now and the future. They also manage the Akatarawa Cemetery, where Council provides land and facilities for burial of people and a place for remembrance.

Actions undertaken to support the community

H²O Xtream

Ultra Violet (UV) installation

Installation and commissioning of the UV filter was completed in January 2014 - the drive being to reduce the smell of chlorine in the air and the effects that some people suffer such as sore eyes, skin reactions, asthma etc, while also neutralising a wider range of bacteria. Positive feedback has been received from the public following the installation.

Spa pool

It has long been the perception of the public that the water quality of the spa pool is below par due to the green tinge to the water (the water quality has always remained high). Following a change in filtration media, and a new backwashing regime, the problems have been resolved.

H²O Xtream Holiday Programme

H²O Xtream's holiday programme was successful in securing further *Out of School Care And Recreation* (OSCAR) funding, ensuring an affordable programme can be provided to all clients. The programme is audited regularly to a national standard.

School swimming classes

As a result of continued Kiwisport funding, Upper Hutt primary school children were able to attend swimming lessons at minimal cost to the school.

Energy audit

A second H²O Xtream heat pump motor failed in August 2013 following the failure of the first motor in mid-2012. Given the expense of repair, the requirement for the energy audit was urgent. A systems audit was conducted in December 2013 to identify both the best water heating option and scope any other efficiency gain opportunities. The findings showed that, based on current gas prices and system configuration, the heat pump is no longer the most cost efficient means of heating H²O Xtream. Due to the extremely competitive gas prices negotiated by staff, gas is likely to become the preferred method of heating water at H²O Xtream for the duration of the new gas contract (i.e. until 2017). In addition, the audit also provided a series of recommendations to improve energy efficiency, some of which will be submitted to the Long Term Plan process for funding consideration. Others were able to be funded as part of the recent maintenance closure – for example, replacement of inefficient shower heads with efficient ones.

Central and Pinehaven Libraries

Aotearoa Peoples Network Kaharoa (APNK)

Twenty six public computers were installed by the Aotearoa Peoples Network Kaharoa (National Library). The subsidy provided by APNK has enabled the Library to provide free public internet access for Upper Hutt residents and guests.

Celia Lashlie Author Talk

Celia Lashlie, well known not just as an author but also as a social justice advocate and New Zealand's first female prison guard in a male prison, spoke at the Upper Hutt City Library on Tuesday 10 December to 118 attendees.

Seniors Week

Seniors Week was again celebrated at the end of September, with a week of events and programmes for older residents co-ordinated by the Library and delivered in partnership with H²O Xstream, Expressions, Activation, and community partners.

'The Way We Were' Events

The initial 'Remembering the Way We Were' event during Seniors Week was very popular with over eighty people attending. Participants were invited to wander down memory lane with a large selection of photos from the Library's heritage collection covering 1940s -1980s and were encouraged to contribute their knowledge and stories. The huge success of this event has seen 'The Way We Were' programme becoming a regular feature of the Library's activities.

Summer Reading Challenge

During December and January, the Library delivered the annual Summer Reading Challenge to children aged between 5 and 12. The aim of the programme is to maintain children's reading levels over the summer holidays by engaging them in literacy activities. Some 243 children registered for the challenge.

Children's After-school Programmes

Since the start of 2014 the Library has been offering a variety of programmes for children after school. The programme includes computer-based activities, arts and crafts, a book club, and quizzes. The programme has been very successful with over 1000 children attending the programmes in the first two terms of 2014.

Ukuleles

The Library's Ukulele groups have been very popular with the community, with around 30 participants attending them every week. Due to the ongoing popularity of these programmes a new collection of 40 ukulele instruments are now available for borrowing. This initiative was featured in a nationally televised news item on the changing role of public libraries.

World War I Related Activities

The Library is offering a range of activities and events throughout the year to mark the centenary of the start of World War I. A Speaker Series is being held in the Library, with three presentations. In partnership with the Trentham Military Camp the Library has supported the '5000 Poppies – A Tribute of Respect and Remembrance' project, by collecting and displaying handmade poppies.

Benge and Pratt Centenary

As part of the activities arranged to commemorate the centenary of the Benge and Pratt disaster, the Library held two presentations of material from its Heritage collections about this event in March 2014 which were attended by over 130 people.

Expressions Arts and Entertainment Centre

Expressions tenth anniversary

Expressions celebrated its tenth anniversary with the Expressions Big Event, a public event that attracted over 2000 people and received great feedback, with many noting it was their first time in the building. A cocktail event on the previous night for over 200 people was also very successful with Orongomai Marae playing a major role.

Free initiatives

New free initiatives, aimed at increasing accessibility include:

The *Latin American Film Festival*, which saw over 500 people attending 10 films over a four day period. This was a strategic partnership working with a group of Embassies and will become an annual event in the Expressions calendar.

Sunday Strum, a once a month free strum-along ukulele performance has also proved popular with a wide range of audience attending.

Camp Ground Chaos, a four day outdoor FREE circus event on the lawn across Expressions attracted over 2000 people, mostly families and young people.

Expressions Live! a once a month FREE classical concert performed by the New Zealand School of Music continues to prove popular.

Galleries

The galleries hosted ten major exhibitions with a further nine in the Rotary Foyer Gallery. Visitors to the galleries have increased by 30% in the last twelve months through the broadened visual arts programme to encompass popular art exhibitions such as *Peter Bush; photographs of the All Blacks*, and *The Gloaming*; sculptures from Weta Workshop artist Johnny Fraser –Allen. *Arcade: the art of Video Games* was also presented to attract a youth audience.

Vector Gallery was re-launched as the Mitre 10 MEGA Create Gallery with a focus on family interactivity. This space has seen a range of activities aimed at children.

In March, Expressions hosted *Off the Wall; The World of Wearable Art*, which attracted stand out audiences over its four week viewing. In conjunction with the exhibition, Expressions hosted a sold out opening Gala, several workshops, films and artist events. Audience feedback was overwhelmingly positive.

The Wellington Regional Arts Review, the biannual review of recent local art, attracted over 150 art works, with 50 selected for exhibitions by a panel of independent judges.

The popularity of exhibitions was also reflected in a large growth of education trips with over 1500 school students visiting throughout the year to a dedicated education programme.

The Gillies Group Theatre

The annual *Queen's Birthday Jazz and Blues Festival* grew to include a fifth concert called Sunday Soul, which was a free concert hosted by Soul City Church, and a Monday afternoon High Tea presented by Limelight Café. The *Classical Expressions* programme of live high quality chamber music and the *Theatre@Expressions* theatre programme both saw an increase of audiences primarily due to a

refreshed and more popular programme aimed at attracting diverse audiences and intensified marketing.

The Theatre was hired for many private shows such as Indian dance recitals and the local Pilipino Choir and notably the five sold out shows of the Upper Hutt Musical Society production of *Sound of Music* in October. November and December 2013 saw Expressions hosting its annual dance season where three local dance schools presented their end-of-year productions over four weeks, resulting in 5000 people drawn to the Centre. The Theatre also hosted several civic events which include Citizenship Ceremonies and the Young Achiever Awards.

The Professionals Recreation Hall

With a new focus on community hire in place, the Professionals Recreation Hall saw several major national events including National Bowling events, a National/International Defence Force Conference, National Ballroom competitions, the National Mode Scale Expo and the National Stamp Convention as well as local multicultural festivals and other local events.

Another major event in the Professionals Recreation Hall was the *Well Made Contemporary Craft Fair* on 23 November, which attracted over 1000 people and supported a host of local and regional crafters.

Regular weekly ongoing bookings continue from Activation, school holidays programmes, several skating clubs, unihoc, Wellington Model Aero Club, Pamir Rug Displays, badminton and bowling among others.

i-SITE

The Upper Hutt i-SITE continues to flourish at Expressions. New initiatives have included bus tours to the region and into the region, a holiday programme discount booklet for local family activities, and a brand new website promoting Upper Hutt.

The i-SITE received a 93% Qualmark assessment which is one of the highest levels across the country.

Limelight Café

The Silverstream Retreat took over the license to run Limelight café in April 2013, which has resulted in an upturn in visitors and liveliness of the Centre.

Parks and reserves

The chain gates at the Brentwood Street car park entrance to Trentham Memorial Park were due for replacement. A trial was conducted to leave the gates open at nights, at both the Barton Road and Brentwood Street entrances, to monitor any unwanted activity or problems. The trial was successful, therefore the gates will continue to be left unlocked and the chain gate not replaced.

The Mawaiharkona Stream running through Trentham Memorial Park and Heretaunga Park has been cleared of weeds. Clearing of these weeds occurs twice a year.

The upgrade of the Maidstone Park/Whitemans Valley link track was completed, which includes the installation of steps on the steep section, levelling of the track (cutting into the hillside), and metal spread on the other sections – all of which have improved pedestrian access

New vehicle barriers have been installed beside the pavilion and along the link road through Maidstone Park in an attempt to restrict vehicles parking on the grass under the trees.

Security cameras and two electronic scoreboards have been installed around the artificial turfs at Maidstone Park.

The Harcourt Park Paddling Pool was repainted, new seating installed, and new fences and gates erected, ready for the 2013 – 2014 summer season. This attraction has been very popular again this year.

A new irrigation system has been installed in most of the flower beds. The system will enable the contractors to manage the application of water more effectively and conserve water usage.

Sports field layout maps were added to the Council website to assist with the location of the numerous sports fields at our parks.

Replacement safety matting and slides have been installed on the mound at Maidstone Max.

More fruit trees have been planted in the community garden at Clyma Park. Currently, there are approximately 30 different fruit and nut trees being looked after by the community.

Arbour Day 2014 was celebrated with children from Trentham School planting 350 trees behind Bartons Bush at Trentham Memorial Park.

The Colour Run for the Wellington region was held in March at Trentham Memorial Park, with participants' numbers in the thousands. The run is an internationally renowned fun run that encourages communities to walk or run 5 kilometres through colour stations.

Performance measures

Community satisfaction with the range of high quality aquatic leisure opportunities provided, for people of all ages and abilities, by H²O Xtream ¹



Target: 95% satisfaction

Performance: 90% of respondents were satisfied or very satisfied—*not achieved*

As in the previous year, a 90% respondent's satisfaction level was achieved in the Annual Community Survey this year. It is likely this stems from the new benchmark set with the change of survey supplier. Comments from those respondents who were dissatisfied raised a variety of issues such as customer service and the impact of the wave machine on the toddler's pool.

H²O Xtream will meet or exceed all required compliance standards for swimming pool operation ²



Target: PoolSafe Accreditation

Performance: The PoolSafe re-evaluation audit was successfully completed in April 2014—*achieved*

H²O Xtream annual attendance figures



Target: At least 230,000 people visit over the year

Performance: 204,678 people visited H²O Xtream—*not achieved*

Pool attendance is reported to be down both nationally and across the majority of the region. Lower attendance this year could be attributed to two pool closures, one due to earthquake strengthening, and the other during the installation of the UV system.

Community satisfaction with the level of customer service provided by library staff ¹



Target: 95% satisfaction

Performance: 98% of respondents were satisfied or very satisfied—*achieved*

Number of issues and physical (visits to the library) in the 12 months to 30 June ^{3,4,5}



Target 1: Minimum of 665,000 items issued ³

Performance: 558,973 items issued—*not achieved*

In common with other public libraries, both nationally and internationally, the City Library is changing its service from a high volume, low value transactional model to that reflecting lower volume and higher value. This is evidenced by the increasing number of visitors who are using the City Library for services other than borrowing books.

Target 2: Minimum of 335,000 visitors ⁴



Performance: 409,966 visitors— *achieved*

Target 3: Minimum of 57,000 website visits ⁵



Performance: 47,972 website visits— *not achieved*

Comparison data to previous years does not reflect true website use as Council has introduced a new reporting method this year which counts a different level of activity. The website analysis tool previously used, only provided high level information. The new website analysis tool allows more informative data collection such as; how many people have accessed the website, what pages are being viewed, demographics, how long users stay on a page, whether information is being downloaded or being forwarded on, to name a few.

Community satisfaction with the range and number of arts opportunities provided at Expressions Arts and Entertainment Centre ¹



Target: 90% satisfaction

Performance: 86% of respondents were satisfied or very satisfied—*not achieved*

Respondent's satisfaction level in the Annual Community Survey were very similar this year, 86%, compared to 85% in 2013. However two issues are worth noting:

1. In 2013, the wording of the Community survey question changed to focus more on Expressions Arts and Entertainment Centre – the crossed out text reflects the previous question. “How would you rate your satisfaction with the range and number of arts opportunities provided ~~in the city~~ at Expressions Art and Entertainment Centre”.
2. Less than half of the total surveyed responded to the questions suggesting that an adjustment of the question asked is required in the future.

Comments made by respondents who were not satisfied with the range and number of arts opportunities at Expressions revolved around continuing to increase the diversity of what is on offer, a focus on more family orientated programmes and more local or community input. However, given that many respondents had not visited Expressions, they may not be aware of the growing programmes.

Number of visitors to the Expressions Arts and Entertainment Centre ⁶



Target: 70,000 visitors

Performance: 120,441 visitors—*achieved*

Community satisfaction with the level of provision of open space, amenities, and gardens ¹



Target: 95% satisfaction

Performance: 97% of respondents were satisfied or very satisfied—*achieved*

1. Annual Community Survey

2. Pool Safe Assessment

3. Horizon Database Survey

4. Foot traffic counter at entrance to library

5. Smarter stats' website (IT)

6. In-house Expressions monitoring

Works programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Asset management to replace existing assets			
PR Toilets	70	40	Completed
PR Amenities replacement	100	99	Completed
PR New roading seal	23	24	Completed
PR Renewal roading sealing	35	35	Completed
PR Underground pipe replacement	0	0	Completed
PR Play equipment	125	124	Completed
LB Equipment replacements	4	5	Mobile scanner purchased
Capital works – to improve the level of service			
PR Walkway signage	3	3	Completed
PR Upgrading of Hutt River Trail programme	119	16	\$103,000 carried over to 2014 – 15
PR New pathways and walkways	7	7	Completed
PR Walkway asses replacement/refurbishment	30	30	Completed
PR Enhanced public space (Russell Street)	22	0	Carried over to 2014 – 2015
HO H ₂ O UV system	88	94	Completed
HO Equipment renewal	0	29	Reclassification of operating budget and renewal expenditure
LB Library resources	275	275	Expended on resources
LB APNK – public internet	21	22	Enabled the provision of free internet access
PR Maidstone Park turfs	0	18	Funding covered by less expenditure being used elsewhere

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Projects			
PR Large trees in reserves	10	6	Completed
PR Native forest management programme	3	3	Completed
PR Monitoring native bush	3	3	Completed
SS Sustainability Strategy ¹	24	24	Completed
SS Community environment education and action project ²	10	10	Completed
Total facilities works programme	972	867	

¹ 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.

² 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 had been allocated to personnel costs.

Approved carryover projects from previous years budgets

Projects	Budget (\$ 000)	Actual (\$ 000)	Funded by
SS IS Consultants	20	20	Rates
SS IS GIS software	10	5	Rates
SS Infrastructure consultants	60	32	Rates
Total	90	57	

PR = Parks and Reserves

HO = H²O Xtream

LB = Library

PP = Property

CE = Cemetery

SS = Support Services

Cost of service statement

Facilities amalgamations:			
Cemetery			
Expressions			
H ² O Xtream			
Library			
Parks and Reserves			
Property	Actual	Actual	Budget
Support services	30 June 2014	30 June 2013	30 June 2014
	(\$ 000)	(\$ 000)	(\$ 000)
Operating statement			
General rates	6,794	7,044	6,768
Operating income	2,417	2,482	3,720
Total operating revenue	9,211	9,526	10,488
Operating costs	8,551	8,258	8,621
Interest	275	318	253
Depreciation	1,721	1,493	1,650
Total operating costs	10,547	10,069	10,524
Operating surplus/ (deficit)	(1,336)	(543)	(36)
Capital and reserves funding statement			
Capital expenditure	939	1,720	922
Loans repayments	138	234	1,540
Operating (surplus)/ deficit	1,336	543	36
Transfer to funds	36	39	153
Total funding required	2,449	2,536	2,651
Funded by			
Funding from non-cash expenses	1,861	1,673	1,768
Loans raised	335	284	358
Transfer from funds	253	579	525
Transfer from funds applied	2,449	2,536	2,651

Economic development

Council's focus is in the area of 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.

Actions undertaken to support the community

Economic Development activity

Council engaged with numerous developers, businesses, and landowners on a range of new commercial opportunities during 2013 - 2014. This work resulted in several new businesses (commercial, industrial, and retail) within Upper Hutt.

- Council has seen the significant growth and expansion in our commercial sector, particularly with South Pacific Industrial Park, which currently stands at nearly 90% occupancy.
- 2014 saw the introduction of the business tours for Councillors. These tours (which will occur on a quarterly basis) were introduced to profile and expose the great work that is happening in our business community.
- Increased engagement with our business community meant Council had direct communication with over 110 businesses from January to June 2014, providing support and advice.
- The economic development role was instrumental in attracting key events to the new Maidstone Park Turf facility, which highlighted this key asset that Upper Hutt has to offer in our region.
- Council continues to look at attracting employment opportunities and growth into our community and has worked with a number of government agencies with a view to achieving this in the coming year.
- Council supported the Hutt Valley Chamber of Commerce Business Excellence Awards, which were held on 7 November 2013. Council also co-facilitated several business development forums with the Hutt Valley Chamber of Commerce. Council also supported and promoted a number of local businesses with their entries into the annual business Gold Awards held in May 2014.
- Council continues to work alongside Grow Wellington and other Councils from within the region promoting what our region has to offer.
- Council worked with See & Do New Zealand to produce a three minute promotional video that features ten of Upper Hutt's key businesses. The intention of the video is to present the benefits of establishing a business in Upper Hutt, while also showcasing what we have to offer through the presentation of some of our more prominent businesses.

Working with Upper Hutt retailers

March Madness Fair

The March Madness Fair was held on 22 March on Main Street. New branding and more extensive advertising helped to attract some 30,000 attendees to the fair, including a large contingent from throughout the Wellington Region. The fair hosted 153 stalls, all hand-picked for their quality, which was

noted by many fair-goers in the feedback garnered through social media following the event. Also of note was the excellent entertainment held on the main stage and in a buskers circle.

City centre

- Regular meetings with business owners and managers operating in the city centre have helped to build collaborative promotions, increasing retail activity and better supporting retail operations.
- Regular initiatives, such as window display competitions and professional development have improved the attractiveness and vibrancy of our city centre, creating interest and encouraging retail activity.
- Marketing collateral has been developed to encourage greater visitation to the city centre, including 'welcome packs' for large employers and new residents to Upper Hutt.
- Significant events, such as the highly successful 'World of Wearable Arts' (WOW) exhibition at Expressions, have created opportunities to develop specific marketing messages that leverage off visitation and event activity. In the instance of WOW, a brochure and city centre map was developed encouraging exhibition attendees to visit the city centre, specifically profiling retailers relevant to this target audience.
- Council has worked more collaboratively with city centre retailers in developing activities and promotions over the festive season. Promotional activities include the Santa Parade, extended trading hours, and the 'Elf on the Shelf'.
- Practical support, such as liaison, visual merchandising, marketing advice, and a props library have been offered to our retail community.

Marketing and communications

The Residential Campaign

The Residential Campaign was officially launched on 13 August 2013, at Expressions Arts and Entertainment Centre. This campaign includes a dedicated website that showcases Upper Hutt alongside the properties for sale, catalogued by buyer types. The site is promoted through a series of digital animations presented on the most popular real estate websites, as well as advertising features in local and national publications. Feedback to date demonstrates the effectiveness of this campaign, with good site activity, and buy-in from local real-estate agents.

The 'Dream Summer in Upper Hutt' Campaign

The Dream Summer campaign provided umbrella promotional opportunities for all events and activities held in Upper Hutt over the summer months. This campaign promotion encouraged local residents to participate in local activities and events, showcasing the broad range on offer. Regionally, the campaign helped to tell the Upper Hutt story, encouraging 'day-tripping' to Upper Hutt, and selling the many attractions and activities of the city to those who would normally travel further afield for summer entertainment. The campaign consisted of a dedicated website, Facebook advertising, local billboards, city flags, and print advertising (local and regional).

Website development

Council is redeveloping its website into a more user-friendly, modern, and highly informative site. The project to redevelop the Council website began in 2013 and the new site is expected to be launched in October 2014. As well as the main Council website, additional 'micro-sites' have been developed, offering specialist information to specific users. In this year, several microsites have been launched:

Breakaway (for cycling in Upper Hutt), Live Upper Hutt (supporting the residential proposition), Have Your Say (a site specifically for consultation), and Dream Summer (developed to promote the Dream Summer campaign and city centre promotions). The Dream Summer site has since been rebranded, renamed Visit, and its content redeveloped to support visitor attraction.

Upper Hutt's attractions

Council continues to promote Upper Hutt's attractions to domestic visitors through targeted marketing in a range of publications, including Vibrant Hutt, the Official Wellington Visitor Guides, the AA Traveller Visitor Guide and the Jasons Guides.

Performance measures

Community satisfaction with the level of support provided to support economic development ¹



Target: 85% satisfaction

Performance: 63% of respondents were satisfied or very satisfied—*Not achieved*

Considering that the wider community have limited involvement in business specific activities that Council undertakes, it is unlikely that they would be able to rate this measure accurately. In saying that, Council will continue to increase its efforts in this area, with the view to improving the balance between public satisfaction and level of expenditure. Almost two thirds of respondents (63%) are satisfied with Council's role in supporting economic development. When the remaining 37% were asked what changes would need to be made for them to be more satisfied, many comments inferred that Council should strategically target and encourage economic growth, and that Council should be proactive in filling empty shops, lowering rents and providing better service. Further comments included creating a new identity and strengthening marketing.

Reduce the number of vacant shops in the city centre ²



Target: Decrease the number of vacant shops from 12 (as at June 2013)

Performance: Number of vacant shops reduced from 12 to 10—*Achieved*

¹ Annual Community Survey

² In-house monitoring

Works Programme

Projects	Budget (\$ 000)	Actual (\$ 000)	Achievements at 30 June 2014
Projects			
Upper Hutt marketing strategy	103	125	Phase 1 – the residential marketing campaign was launched; four microsites were launched.
City centre management ¹	60	60	Key achievements are identified within the body of this report.
Business and resident opportunity prospectus	21	24	Initial work has been undertaken on the development of the prospectus. Remainder of funds carried over to complete this work.
New business and retail targeting campaign	31	11	Indicative drawings were developed for two sites of interest. An Upper Hutt business promotional video was developed. The development of a business website has almost been completed, which profiles key businesses and includes testimonials of why businesses have chosen Upper Hutt as well as the opportunities and advantages available here.
Regional marketing initiatives	10	10	This funding is allocated to Absolutely Positively Wellington. Key achievements included: international promotion of Upper Hutt as a golfing destination, international promotion of local breweries, and the development of an Upper Hutt portal on WellingtonNZ.com
The Great Ride cycleway	5	2	Great ride opened and receiving global interest.
Total economic development works programme	230	232	

¹ 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

	Actual 30 June 2014 (\$ 000)	Actual 30 June 2013 (\$ 000)	Budget 30 June 2014 (\$ 000)
Operating statement			
General rates	936	823	1,050
Operating income	19	15	12
Total operating revenue	955	838	1,062
Operating costs	957	841	1,065
Interest	0	0	0
Depreciation	1	1	1
Total operating costs	958	842	1,066
Operating surplus/ (deficit)	(3)	(4)	(4)
Capital and reserves funding statement			
Capital expenditure	0	0	0
Loans repayments	0	0	0
Operating (surplus)/ deficit	3	4	4
Transfer to funds	0	0	0
Total funding required	3	4	4
Funded by			
Funding from non-cash expenses	3	4	4
Loans raised	0	0	0
Transfer from funds	0	0	0
Transfer from funds applied	3	4	4

Funding impact statements

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.

Key:

AR – Annual Report

AP – Annual Plan

LTP – Long Term Plan

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All activities

Upper Hutt City Council: Funding impact statement for 30 June 2014 For whole of Council	Year 1 Annual Plan 2012-13 (\$ 000)	Year 1 Annual Report 2012-13 (\$ 000)	Year 2 Annual Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding				
General rates, uniform annual general charges, rates penalties	17,239	17,312	18,163	17,524
Targeted rates	12,728	12,611	13,256	12,296
Subsidies and grants for operating purposes	1,360	544	1,334	716
Fees and charges	5,766	5,522	7,151	5,965
Interest and dividends from investments	0	0	0	254
Local authority fuel tax, fines, infringement fees, and other receipts	964	985	935	844
Total operating funding (A)	38,057	36,974	40,839	37,599
Applications of operating funding				
Payments to staff and suppliers	30,609	23,296	34,440	31,217
Finance costs	1,454	1,480	1,478	1,331
Other operating funding applications	158	7,290	163	0
Total applications of operating funding (B)	32,221	32,066	36,081	32,548
Surplus (deficit) of operating funding (A-B)	5,836	4,908	4,758	5,051
Sources of capital funding				
Subsidies and grants for capital expenditure	1,540	1,987	1,327	1,575
Development and financial contributions	332	14	354	34
Increase(decrease) in debt	446	370	3,050	173
Gross proceeds from sale of assets	0	0	0	0
Lump sum contributions	0	0	0	0
Other dedicated capital funding	0	0	0	0
Total sources of capital funding (C)	2,318	2,371	4,731	1,782
Applications of capital funding				
Capital expenditure				
- to meet additional demand	0	71	31	115
- to improve the level of service	2,581	2,356	3,561	1,413
- to replace existing assets	6,364	5,344	6,345	5,340
Increase (decrease) in reserves	(791)	(492)	(448)	(35)
Increase (decrease) of capital investments	0	0	0	0
Total applications of capital funding (D)	8,154	7,279	9,489	6,833
Surplus (deficit) of capital funding (C-D)	(5,836)	(4,908)	(4,758)	(5,051)
Funding balance ((A-B)+(C-D))	0	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Leadership	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	2,129	2,342	2,097
Targeted rates	53	106	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	72	83
Internal charges and overheads recovered	30	34	34
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,212	2,554	2,214
Applications of operating funding			
Payments to staff and suppliers	759	959	864
Finance costs	0	0	0
Internal charges and overheads applied	1,453	1,595	1,350
Other operating funding applications	0	0	0
Total applications of operating funding (B)	2,212	2,554	2,214
Surplus (deficit) of operating funding (A-B)	0	0	0
Sources of capital funding			
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
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure			
- 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
Total applications of capital funding (D)	0	0	0
Surplus (deficit) of capital funding (C-D)	0	0	0
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Land Transport	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	4,808	5,132	4,479
Targeted rates	0	0	0
Subsidies and grants for operating purposes	1,134	1,169	313
Fees and charges	40	42	131
Internal charges and overheads recovered	101	109	128
Local authority fuel tax, fines, infringement fees, and other receipts	150	155	138
Total operating funding (A)	6,233	6,607	5,189
Applications of operating funding			
Payments to staff and suppliers	2,882	3,131	2,668
Finance costs	330	379	271
Internal charges and overheads applied	1,050	1,111	961
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,262	4,621	3,900
Surplus (deficit) of operating funding (A-B)	1,971	1,986	1,289
Sources of capital funding			
Subsidies and grants for capital expenditure	1,540	2,206	1,575
Development and financial contributions	332	354	34
Increase (decrease) in debt	81	1,670	58
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	1,953	4,230	1,667
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	84
- to improve the level of service	842	2,666	643
- to replace existing assets	2,848	3,196	2,214
Increase (decrease) in reserves	234	354	15
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	3,924	6,216	2,956
Surplus (deficit) of capital funding (C-D)	(1,971)	(1,986)	(1,289)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Water supply	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	4,337	4,762	4,686
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,011	1,046	1,209
Internal charges and overheads recovered	82	78	104
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	5,430	5,886	5,999
Applications of operating funding			
Payments to staff and suppliers	3,787	4,065	4,241
Finance costs	40	36	30
Internal charges and overheads applied	758	783	735
Other operating funding applications	0	0	0
Total applications of operating funding (B)	4,585	4,884	5,006
Surplus (deficit) of operating funding (A-B)	845	1,002	993
Sources of capital funding			
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
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	28	5	(71)
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	0	166	6
- to replace existing assets	963	931	1,016
Increase (decrease) in reserves	(90)	(90)	(100)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	873	1,007	922
Surplus (deficit) of capital funding (C-D)	(845)	(1,002)	(993)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Wastewater	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	6,158	6,270	5,368
Subsidies and grants for operating purposes	0	0	0
Fees and charges	132	132	85
Internal charges and overheads recovered	118	108	123
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	6,408	6,510	5,576
Applications of operating funding			
Payments to staff and suppliers	3,689	3,672	3,577
Finance costs	748	758	711
Internal charges and overheads applied	596	621	539
Other operating funding applications	0	0	0
Total applications of operating funding (B)	5,033	5,051	4,827
Surplus (deficit) of operating funding (A-B)	1,375	1,459	749
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	(175)	520	120
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	(175)	520	120
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	680	704	398
- to replace existing assets	1,200	1,275	745
Increase (decrease) in reserves	(680)	0	(274)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	1,200	1,979	869
Surplus (deficit) of capital funding (C-D)	(1,375)	(1,459)	(749)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Stormwater	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	0	0	0
Targeted rates	2,180	2,284	2,242
Subsidies and grants for operating purposes	0	0	0
Fees and charges	0	0	0
Internal charges and overheads recovered	43	34	51
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	2,223	2,318	2,293
Applications of operating funding			
Payments to staff and suppliers	1,089	1,137	1,123
Finance costs	0	0	0
Internal charges and overheads applied	401	417	419
Other operating funding applications	0	0	0
Total applications of operating funding (B)	1,490	1,554	1,542
Surplus (deficit) of operating funding (A-B)	733	764	751
Sources of capital funding			
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
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	50	0	9
- to replace existing assets	733	764	742
Increase (decrease) in reserves	(50)	0	0
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	733	764	751
Surplus (deficit) of capital funding (C-D)	(733)	(764)	(751)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Solid waste	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	(332)	(506)	(480)
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	631	652	625
Internal charges and overheads recovered	4	2	2
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	303	148	147
Applications of operating funding			
Payments to staff and suppliers	201	42	39
Finance costs	0	0	0
Internal charges and overheads applied	102	106	108
Other operating funding applications	0	0	0
Total applications of operating funding (B)	303	148	147
Surplus (deficit) of operating funding (A-B)	0	0	0
Sources of capital funding			
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
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure			
- 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
Total applications of capital funding (D)	0	0	0
Surplus (deficit) of capital funding (C-D)	0	0	0
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Planning and regulatory services	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,513	2,038	2,343
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	1,740	1,801	1,867
Internal charges and overheads recovered	37	65	109
Local authority fuel tax, fines, infringement fees, and other receipts	250	259	204
Total operating funding (A)	3,540	4,163	4,523
Applications of operating funding			
Payments to staff and suppliers	2,228	4,317	2,903
Finance costs	3	109	48
Internal charges and overheads applied	1,126	1,188	1,012
Other operating funding applications	0	0	0
Total applications of operating funding (B)	3,357	5,614	3,963
Surplus (deficit) of operating funding (A-B)	183	(1,451)	560
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	98	1,740	(134)
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	98	1,740	(134)
Applications of capital funding			
Capital expenditure			
- 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	426
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	281	289	426
Surplus (deficit) of capital funding (C-D)	(183)	1,451	(560)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Community services	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	1,362	1,460	1,355
Targeted rates	0	0	0
Subsidies and grants for operating purposes	188	107	362
Fees and charges	1	1	90
Internal charges and overheads recovered	15	15	32
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	1,566	1,583	1,839
Applications of operating funding			
Payments to staff and suppliers	978	1,026	1,277
Finance costs	10	19	0
Internal charges and overheads applied	363	386	381
Other operating funding applications	130	134	0
Total applications of operating funding (B)	1,481	1,565	1,658
Surplus (deficit) of operating funding (A-B)	85	18	181
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	350	(18)	4
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	350	(18)	4
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	0
- to improve the level of service	410	0	4
- to replace existing assets	217	15	69
Increase (decrease) in reserves	(192)	(15)	112
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	435	0	185
Surplus (deficit) of capital funding (C-D)	(85)	(18)	(181)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Facilities	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	6,891	6,977	6,794
Targeted rates	0	0	0
Subsidies and grants for operating purposes	38	39	41
Fees and charges	2,195	2,272	1,870
Internal charges and overheads recovered	128	128	158
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	9,252	9,416	8,863
Applications of operating funding			
Payments to staff and suppliers	6,793	7,051	6,402
Finance costs	323	247	271
Internal charges and overheads applied	1,465	1,542	1,662
Other operating funding applications	29	29	0
Total applications of operating funding (B)	8,610	8,869	8,335
Surplus (deficit) of operating funding (A-B)	642	547	528
Sources of capital funding			
Subsidies and grants for capital expenditure	0	0	0
Development and financial contributions	0	0	0
Increase (decrease) in debt	64	91	196
Gross proceeds from sale of assets	0	0	0
Lump sum contributions	0	0	0
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	64	91	196
Applications of capital funding			
Capital expenditure			
- to meet additional demand	0	0	31
- to improve the level of service	599	542	353
- to replace existing assets	403	376	554
Increase (decrease) in reserves	(296)	(280)	(214)
Increase (decrease) of investments	0	0	0
Total applications of capital funding (D)	706	638	724
Surplus (deficit) of capital funding (C-D)	(642)	(547)	(528)
Funding balance ((A-B)+(C-D))	0	0	0

Upper Hutt City Council: Funding impact statement for 30 June 2014 For Economic development	Year 1 Long-term Plan 2012-13 (\$ 000)	Year 2 Long-term Plan 2013-14 (\$ 000)	Year 2 Actual 2013-14 (\$ 000)
Sources of operating funding			
General rates, uniform annual general charges, rates penalties	870	925	936
Targeted rates	0	0	0
Subsidies and grants for operating purposes	0	0	0
Fees and charges	15	16	5
Internal charges and overheads recovered	6	6	15
Local authority fuel tax, fines, infringement fees, and other receipts	0	0	0
Total operating funding (A)	891	947	956
Applications of operating funding			
Payments to staff and suppliers	720	766	778
Finance costs	0	0	0
Internal charges and overheads applied	171	181	178
Other operating funding applications	0	0	0
Total applications of operating funding (B)	891	947	956
Surplus (deficit) of operating funding (A-B)	0	0	0
Sources of capital funding			
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
Other dedicated capital funding	0	0	0
Total sources of capital funding (C)	0	0	0
Applications of capital funding			
Capital expenditure			
- 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
Total applications of capital funding (D)	0	0	0
Surplus (deficit) of capital funding (C-D)	0	0	0
Funding balance ((A-B)+(C-D))	0	0	0

Schedule 5

Annual report disclosure statement

Annual report disclosure statement for year ending 30 June 2014

What is the purpose of this statement?

The purpose of this statement is to disclose the council's financial performance in relation to various benchmarks to enable the assessment of whether the council is prudently managing its revenues, expenses, assets, liabilities, and general financial dealings.

The council is required to include this statement in its annual report in accordance with the Local Government (Financial Reporting and Prudence) Regulations Act 2014 (the **regulations**). Refer to the regulations for more information, including definitions of some of the terms used in the statement.

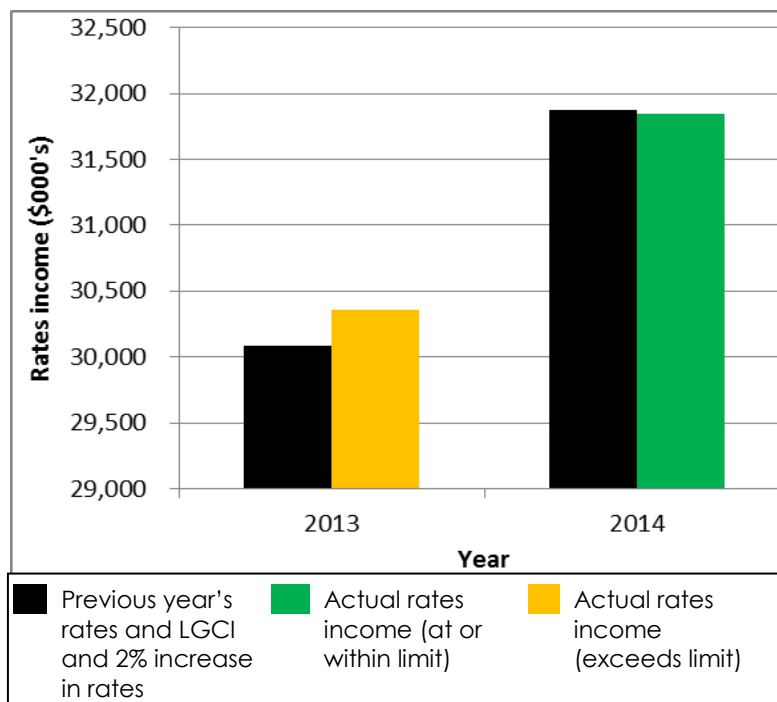
Rates affordability benchmark

The council meets the rates affordability benchmark if –

- its actual rates income equals or is less than each quantified limit on rates; and
- its actual rates increases equal or are less than each quantified limit on rates increases.

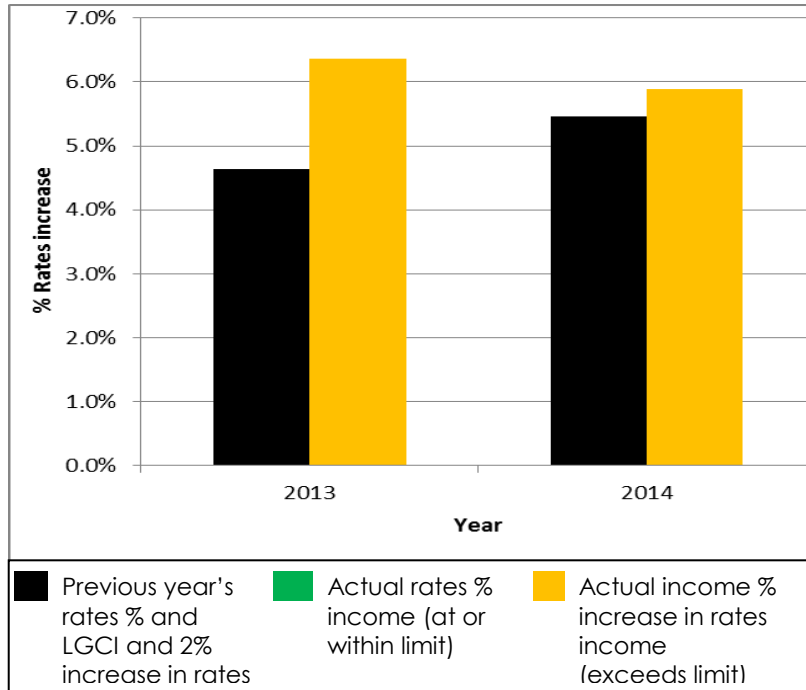
Rates (income) affordability

The following graph compares the council's actual rates income with a quantified limit on rates contained in the financial strategy included in the council's long-term plan. The quantified limit is the previous year's planned rates, plus the Local Government Cost Index (LGCI) annual average percentage change (as provided by Business and Economic Research (BERL)), plus 2% growth to the actual rates increase in dollar terms.



Rates (increases) affordability

The following graph compares the council's actual rates increases with a quantified limit on rates increases included in the financial strategy included in the council's long-term plan. The quantified limit is LGCI¹ plus 2% rates increases.



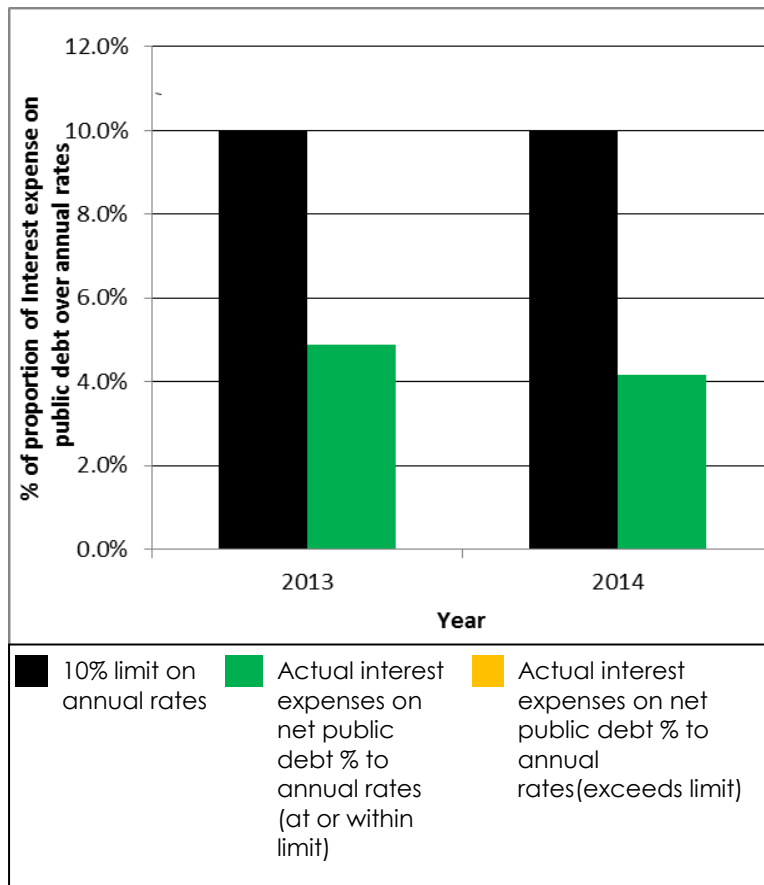
¹ LGCI = Local Government Cost Index as provided by Business and economic Research limited (BERL)

Debt affordability benchmark

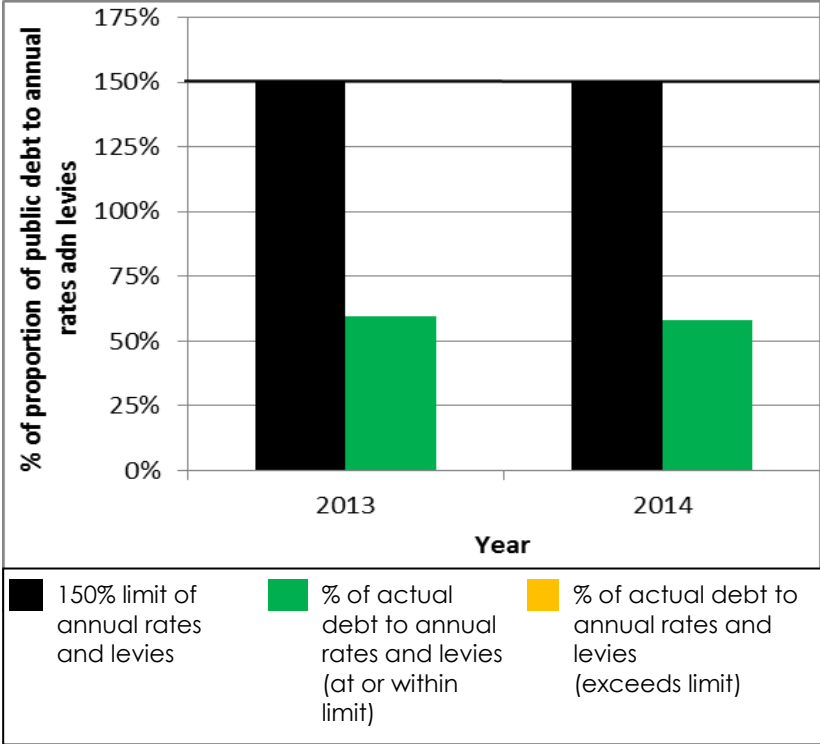
The council meets the debt affordability benchmark if its actual borrowing is within each quantified limit on borrowing.

- Interest expense on net public debt will not exceed 10% of annual rates.
- Net external debt will not exceed 150% of annual rates and levies.
- External public debt per ratepayer will not exceed \$3,000.
- External public debt per capita will not exceed \$1,250.

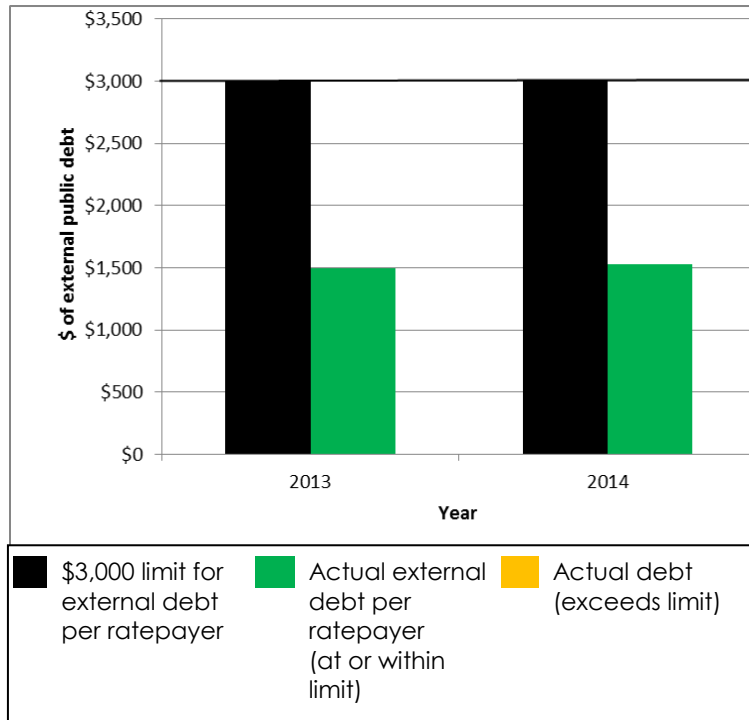
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is interest expense on net public debt will not exceed 10% of the annual rates.



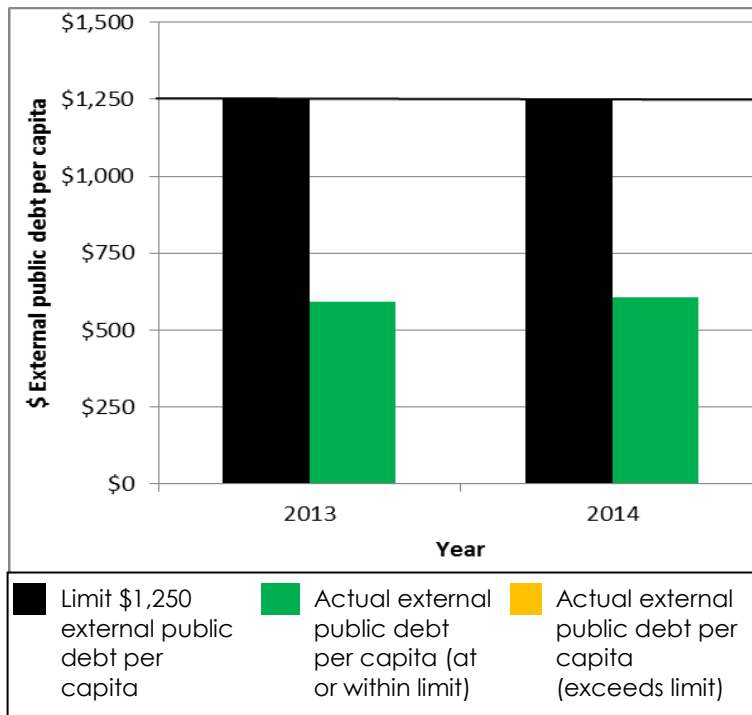
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is net external debt will not exceed 150% of annual rates levies.



The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is external public debt per ratepayer will not exceed \$3,000.



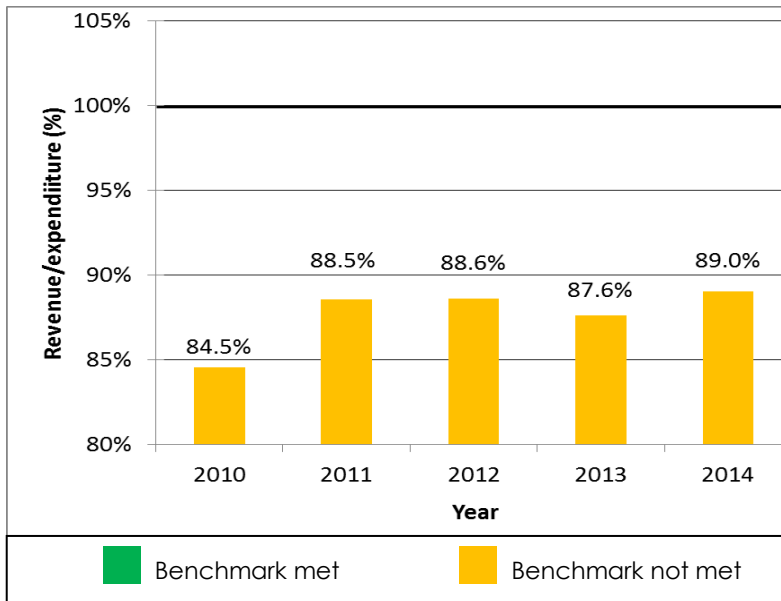
The following graph compares the council's actual borrowing with a quantified limit on borrowing stated in the financial strategy included in the council's long-term plan. The quantified limit is external public debt per capita will not exceed \$1,250.



Balanced budget benchmark

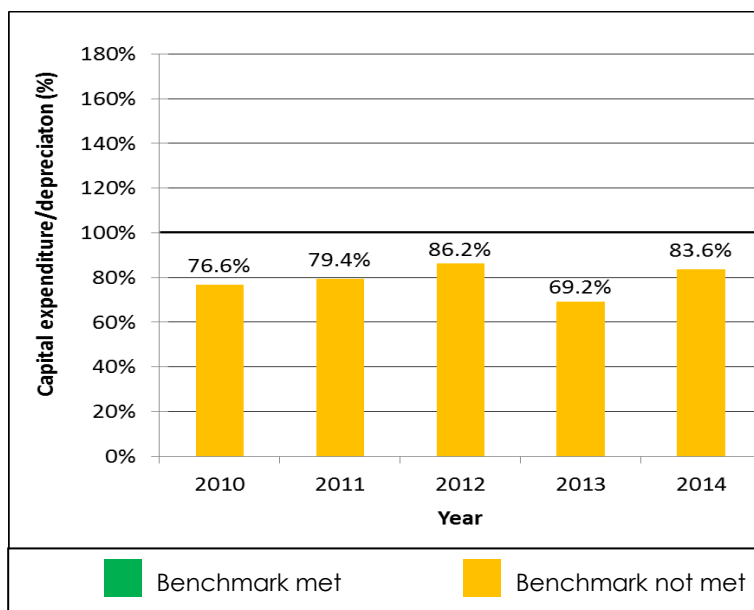
The following graph displays the council's revenue (excluding development contributions, financial contributions, vested assets, gains on derivative financial instruments, and revaluations of property, plant, or equipment) as a proportion of operating expenses (excluding losses on derivative financial instruments and revaluations of property, plant, or equipment).

The council meets this benchmark if its revenue equals or is greater than its operating expenses.



Essential services benchmark

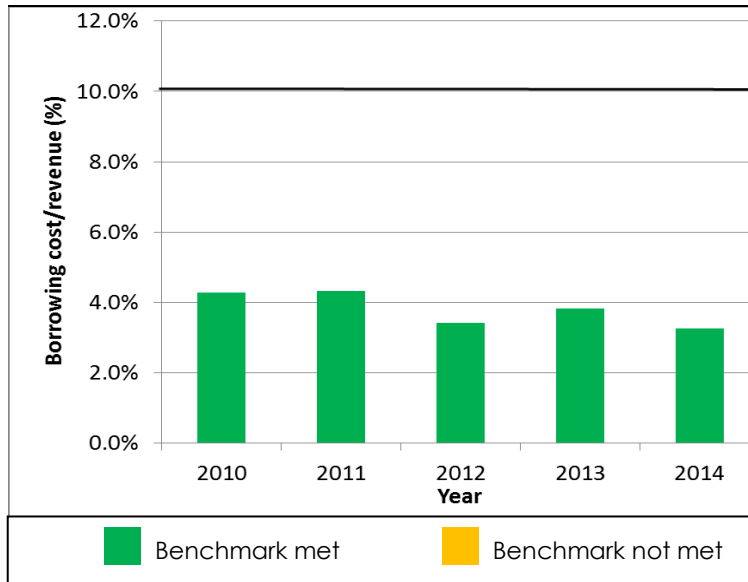
The following graph displays the council's capital expenditure on network services as a proportion of depreciation on network services. The council meets this benchmark if its capital expenditure on network services equals or is greater than depreciation on network services.



Debt servicing benchmark

The following graph displays the council's borrowing costs as a proportion of revenue (excluding development contributions, financial contributions, vested assets, gain on derivative financial instruments, and revaluations of property, plant, or equipment).

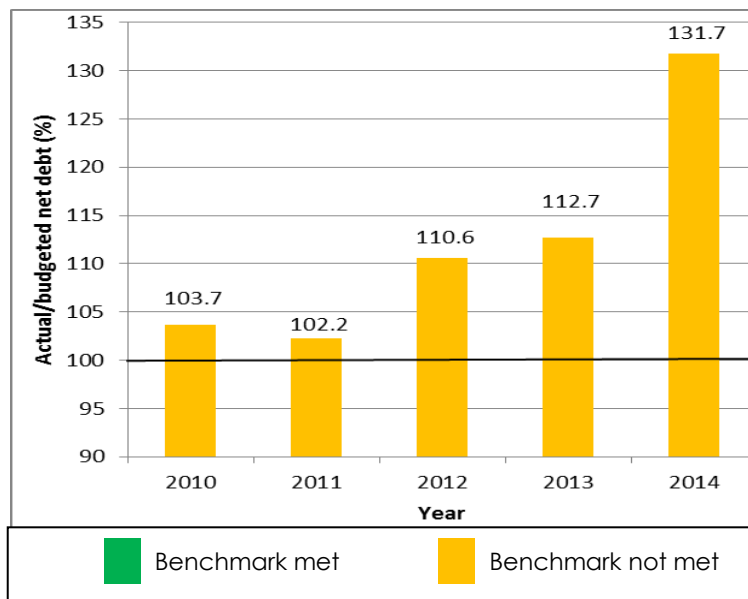
Beause Statistics New Zealand projects the council's population will grow as fast as the national population growth rate, it meets the debt servicing benchmark if its borrowing costs equal or are less than 10% of its revenue.



Debt control benchmark

The following graph displays the council's actual net debt as a proportion of planned net debt. In this statement, **net debt** means financial liabilities less financial assets (excluding trade and other receivables).

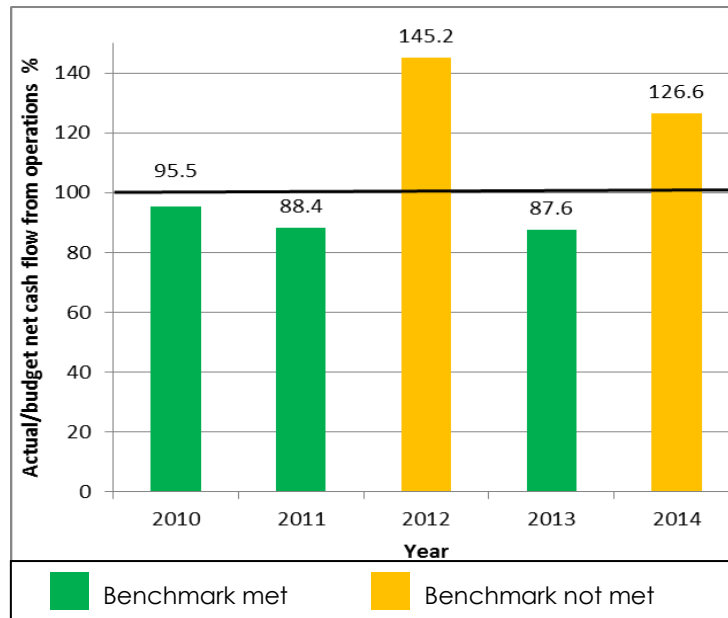
The council meets the debt control benchmark if its actual net debt equals or is less than its planned net debt.



Operations control benchmark

This graph displays the council's actual net cash flow from operations as a proportion of the planned net cash flow from operations.

The council meets the operations control benchmark if its actual net cash flow from operations equals or is greater than its planned net cash flow from operations.



Additional information of comment

1. Rates (income) affordability, actual rates income is always likely to exceed budgeted rates income due to the need to calculate the rates factors before the final value of the rating database is known. The rates resolution (and the Annual Plan) need to be adopted before 30 June but the rating database continues to change (usually upwards) up to and beyond 30 June due to processing delays and retrospective changes. The effect of this can mean this measure is not met.
2. Rates (increases) affordability. The official calculation does not include an ability to adjust for increases in the rating database which mitigates somewhat the impact of rates increases.
3. Balanced budget benchmark. Readers are referred to the financial strategy contained in the Long Term Plan 2012 – 2022, especially pages 34 and 35. This outlines and explains the Council's approach to the funding of depreciation.

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Council financial statistics

Five year financial performance summary

	Actual 2013-14 (\$000)	Actual 2012-13 (\$000)	Actual 2011-12 (\$000)	Actual 2010-11 (\$000)	Actual 2009-10 (\$000)	Budget 2013-14 (\$000)
Rates	31,850	30,352	28,965	27,528	26,397	31,646
Net surplus / (deficit)	(1,919)	(2,850)	(4,264)	(1,444)	(3,052)	(3,830)
Working capital	1,102	(14,561)	(4,600)	(3,481)	(3,172)	2,973
Public debt	25,427	24,587	25,956	20,512	18,617	27,962
Total net assets	679,074	671,224	662,646	576,071	523,598	633,761

Council financial statistics

	Actual 2013-14 (\$000)	Actual 2012-13 (\$000)	Actual 2011-12 (\$000)	Actual 2010-11 (\$000)	Actual 2009-10 (\$000)	Budget 2013-14 (\$000)
Proportion of rates to total income (%)	72.6%	73.18%	70.94%	68.58%	69.25%	70.5%
Average rates per rateable property	\$1,910	\$1,841	\$1,774	\$1,686	\$1,630	\$1,920
Total interest expense on net public debt (%)	5.2%	6.0%	6.1%	7.8%	8.0%	5.3%
External net public debt to annual rates (%)	78.8%	81%	86.9%	74.5%	70.5%	88.4%
External net public debt per rateable property	\$1,524	\$1,491	\$1,589	\$1,256	\$1,149	\$1,696
External net public debt to total equity	3.9%	3.9%	4.1%	3.6%	3.6%	4.4%

Financial statements

Statement of accounting policies

Reporting entity

Upper Hutt City Council is a territorial local authority governed by the Local Government Act 2002 and is domiciled in New Zealand.

The Upper Hutt City Council Group (Upper Hutt City Council) consists of Upper Hutt City Council and its Council controlled charitable organisation Expressions Arts and Entertainment Trust and Upper Hutt City Council is a joint venture partner with Hutt City Council and has an interest in the Hutt Valley Wastewater Scheme (refer to 13B in the Notes to the Financial Statements for details of the accounting treatments followed).

The primary objective of Upper Hutt City Council is to provide goods or services for the local community or social benefit rather than making a financial return. Accordingly, Upper Hutt City Council has designated itself and the group as public benefit entities for a tier 1 entity for the purposes of New Zealand equivalents to International Financial Reporting Standards (NZIFRS)

The financial statements of Upper Hutt City Council are for the year ended 30 June 2014. The financial statements were adopted for issue by Council on 29 October 2014.

Basis of preparation

Statement of compliance

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

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

Measurement base

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

Functional and presentation currency

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

Foreign currency transactions

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

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

Standards, amendments, and interpretations issued that are not yet effective and have not been early adopted

Standards, amendments, and interpretations issued but not yet effective that have not been early adopted, and which are relevant to the Council and group, are:

- NZ IFRS 9 *Financial Instruments* will eventually replace NZ IAS 39 *Financial Instruments: Recognition and Measurement*. NZ IAS 39 is being replaced through the following three main phases: Phase 1 Classification and Measurement, Phase 2 Impairment Methodology, and Phase 3 Hedge Accounting. Phase 1 on the classification and measurement of financial assets has been completed and has been published in the new financial instrument standard NZ IFRS 9. NZ IFRS 9 uses a single approach to determine whether a financial asset is measured at amortised cost or fair value, replacing the many different rules in NZ IAS 39. The approach in NZ IFRS 9 is based on how an entity manages its financial instruments (its business model) and the contractual cash flow characteristics of the financial assets. The financial liability requirements are the same as those of NZ IAS 39, except for when an entity elects to designate a financial liability at fair value through the surplus/deficit. The new standard is required to be adopted for the year ended 30 June 2016. However, as a new Accounting Standards Framework will apply before this date, there is no certainty when an equivalent standard to NZ IFRS 9 will be applied by public benefit entities.

The Minister of Commerce has approved a new Accounting Standards Framework (incorporating a Tier Strategy) developed by the External Reporting Board (XRB). Under this Accounting Standards Framework, the Council is classified as a Tier 1 reporting entity and it will be required to apply full Public Benefit Entity Accounting Standards (PAS). These standards are being developed by the XRB based on current international Public Sector Accounting Standards. The effective date for the new standards for public sector entities is expected to be for reporting periods beginning on or after 1 July 2014. This means the Council expects to transition to the new standards in preparing its 30 June 2015 financial statements. The Council has not assessed the implications of the new Accounting Standings Framework at this time.

Due to the change in the Accounting Standards Framework for public benefit entities, it is expected that all new NZ IFRS and amendments to existing NZ IFRS will not be applicable to public benefit entities. Therefore, the XRB has effectively frozen the financial reporting requirements for public benefit entities up until the new Accounting Standard Framework is effective. Accordingly, no disclosure has been made about new or amended NZ IFRS that exclude public benefit entities from their scope.

Significant accounting policies

Basis of consolidation

The consolidated financial statements are prepared adding together like items of assets, liabilities, equity, income, and expenses on a line-by-line basis. All significant intragroup balances, transactions, income, and expenses are eliminated on consolidation.

Subsidiary

Upper Hutt City Council consolidates its subsidiary Expressions Arts and Entertainment Trust in the group financial statements. Upper Hutt City Council has the capacity to control the Trust's financing and operating policies so as to obtain benefits from the activities. This power exists where Upper Hutt City Council controls the majority voting power on the governing body or where such policies have been irreversibly predetermined by Upper Hutt City Council or where the determination of such policies is unable to materially impact the level of potential ownership benefits that arise from the activities of the subsidiary.

Budget figures

The budget 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 and Long Term Plan process. The budget figures have been prepared in accordance with NZ GAAP that is consistent with the accounting policies adopted by Upper Hutt City Council for the preparation of financial statements.

Revenue

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

Rates

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 issued.

Government grants

Council receives government grants from the New Zealand Transport Agency, which subsidise 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 upon receipt.

Donations – permanent collection – Expressions

Donations of works of art 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 on hand, deposits held on call with bank, other short-term highly liquid investments with original maturities of three months or less and bank overdrafts.

Bank overdrafts are shown within borrowing in current liabilities in the statement of financial position.

Trade and other receivables

Rates arrears and debtors, "Trade receivables" are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, less any provision for impairment.

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

Goods and Services Tax (GST)

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

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 Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments are disclosed exclusive of GST. Contingencies are exclusive of GST.

Inventories

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

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

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

Financial assets

Other financial assets

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

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

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

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

Financial assets at fair value through other comprehensive income

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

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

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

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

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

The four categories for financial assets are:

1. Financial assets at fair value through surplus or deficit

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

After initial recognition they are measured at their fair values. Gains or losses on re-measurement are recognised in the 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. They are included in current assets except for maturities greater than 12 months after the balance date, which are included in non-current assets.

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

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

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

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

3. Held to maturity investments

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

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

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

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 other comprehensive income

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

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

This category encompasses:

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

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

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

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

Impairment of financial assets

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

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

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

Accounting for derivative financial instruments

Upper Hutt City Council uses derivative financial instruments to manage exposure to interest rate risks arising from financial activities. In accordance with its treasury policy, Upper Hutt City Council does not hold or issue derivative financial instruments for trading purposes.

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured at their fair value at each balance date. The method of recognizing the resulting gain or loss depends on whether the derivative is designated as a hedging instrument, and if so, the nature of the item being hedged.

- Upper Hutt City Council has a series of policies providing risk management for interest rates and the concentration of credit risk. Upper Hutt City Council is risk averse and seeks to minimise exposure from its treasury activities. Upper Hutt City Council has an established Borrowing and Investment policy specifying what transactions can be entered into. The policy does not allow any transactions that are speculative in nature to be entered into.
- Interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates. This could particularly impact on the cost of borrowing or the return from an investment.
- The interest rates on Upper Hutt City Council investments are disclosed in Note 8, Notes to the Financial Statements.
- The actual management policies are set out in the separate policy document, 'Borrowing and Investment Management Policy'.
- Credit risk is the risk that a third party will default on its obligation to Upper Hutt City Council, causing Upper Hutt City Council to incur a loss.
- The maximum amount of credit risk for each class is the carrying amount in the Statement of Financial Position.
- Upper Hutt City Council has minimal credit risk in its holdings of various financial instruments. These financial instruments include bank balances, local authority stock and accounts receivable.
- Upper Hutt City Council invests funds only in deposits with registered banks and local authority stock and limits the amount of credit exposure to any one institution or organisation. Accordingly, the Upper Hutt City Council does not require any collateral or security to support the financial instruments with organisations it deals with.
- Fair value is the amount for which an asset could be exchanged, or a liability settled between knowledgeable, willing parties, in an arm's length transaction.

Investment properties

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

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

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

Non-current assets held for sale

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

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

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

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

Intangible assets

Software acquisition and development

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

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

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

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

- computer software 3 years 33%

Impairment of non-financial assets

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

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

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

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

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

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

Property, plant and equipment

Property, plant and equipment include:

Operational property, plant and equipment

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

Restricted property, plant and equipment

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

Infrastructure assets

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

Property, plant and equipment 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.

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

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the surplus or deficit. When revalued assets are sold, the amounts included in asset revaluation reserves in respect of those assets are transferred to accumulated funds.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to Upper Hutt City Council and the cost of the item can be measured reliably.

The costs of day to day servicing of property, plant and equipment are recognised in the surplus or deficit as they are incurred.

Revaluations

Those assets classes that are revalued are valued on a five yearly valuation cycle on the basis described below and for infrastructural assets reassessed every year. 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 and aquatic assets**
 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 2013. H²O Xtream's aquatic assets were revalued this year by SPIRE Consulting Ltd. The valuer was Peter Ollivier, BSc, BE (Civil), CPEng, FIPENZ, IntPE, MICE.
- **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 2014 by the City Engineers. The valuation of these assets was independently reviewed by two valuer's as at 30 June 2008. Infrastructural Assets under Stormwater, Wastewater, Telemetry and Roding 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
- **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 five years based on an estimate of current market value by an independent registered valuer.

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

Accounting for revaluations

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

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

Depreciation

Straight-line Depreciation	Years	Rate
Infrastructure Assets		
Roading		
Carparks	50 years	2%
Culverts	50 to 80 years	1.25% to 2%
Footpaths / accessways	35 years	2.86%
Roads (except land and formation)	7 to 20 years	5% to 14%
Road formation	80 to 150 years	0.5% to 1.25%
Road marking	2 to 10 years	10% to 50%
Road signs	10 years	10%
Roundabouts	50 years	2%
Stormwater channels	35 to 60 years	1.66% to 2.8%
Street and traffic lights	5 to 50 years	2% to 20%
Street furniture and other features	15 to 25 years	4% to 6.67%
Subways	80 years	1.25%
Sumps	60 years	1.66%
Water		
Civil Works	80 to 100 years	1% to 1.25%
Mechanical and electrical plant, outlets, pumps	20 to 50 years	1% to 5%
Pipe work, appurtenances and associated structures	50 to 100 years	1% to 2%
Reservoirs, intake structure	100 years	1%
Stormwater		
Civil works	80 to 100 years	1% to 1.25%
Mechanical and electrical plant, outlets, pumps	20 to 50 years	1% to 5%
Pipe work, appurtenances and associated structures	50 to 100 years	1% to 2%
Wastewater		
Civil works	80 to 100 years	1% to 1.25%
Electronic equipment	10 to 20 years	5% to 10%
Mechanical and electrical plant, outlets, pumps	15 to 50 years	1% to 7%
Pipe work, wastewater mains	50 to 100 years	1% to 2%
Telemetry		
Civil works	80 to 100 years	1% to 1.25%
Electronic equipment	10 to 20 years	5% to 10%
Mechanical and electrical plant, outlets, pumps	20 to 50 years	1% to 5%
Pipe work, appurtenances and associated structures	50 to 100 years	1% to 2%
Diminishing Value Depreciation		
Furniture and office equipment	2 to 15 years	6.67% - 50%
Plant and equipment	4 to 50 years	2% to 25%
Vehicles and plant	5 to 15 years	6.67% - 20%

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

Employee entitlements

Short term employee entitlements

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

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 recognises finance leases as assets and liabilities in the Statement of Financial Position at the lower of the fair value of the leased items or the present value of the minimum lease payments.

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

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

Operating leases

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

Borrowings

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

Equity

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

Components of equity are:

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

Restricted reserves

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

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

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

Property revaluation reserves

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

Fair value through other comprehensive income reserves

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

Statement of cash flows

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

Critical accounting estimates and assumptions

In preparing these 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
- estimates are made when determining the remaining useful lives over which the asset will be depreciated. These estimates can be impacted by the local conditions, for example weather patterns and traffic growth. If the useful lives do not reflect the actual consumption of the benefits of the asset, then Upper Hutt City Council could be over or under estimating the annual depreciation charge recognised as an expense in the surplus or deficit. To minimise this risk Upper Hutt City Council infrastructural asset useful lives have been determined with reference to the NZ Infrastructural Asset Valuation and Depreciation Guidelines published by the National Asset Management Steering Group, and have been adjusted for local conditions based on past experience. Asset inspections, deterioration and condition modelling are also carried out regularly as part of the Upper Hutt City Council's asset management planning activities, which gives Upper Hutt City Council further assurance over its useful life estimates
- experienced independent valuer's perform the council's infrastructural asset revaluations.


Critical judgments in applying accounting policies

Management has not exercised any critical judgements in applying accounting policies for the year ended 30 June 2014.

Statement of financial position – as at 30 June 2014

	Notes	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Budget Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
EQUITY						
Accumulated funds	20	233,976	236,107	237,204	234,165	236,245
Restricted reserves	21	6,014	4,983	3,779	6,052	5,022
Asset revaluation reserves	22	405,331	396,036	392,778	405,331	396,036
Total equity		645,321	637,126	633,761	645,548	637,303
ASSETS						
Current assets						
Cash and cash equivalents	7	2,217	3,850	683	2,445	3,960
Other financial assets	8	5,300	2,000	7,253	5,340	2,038
Derivative financial instruments	9	0	0	0	0	0
Trade and other receivables	10	2,312	2,855	3,188	2,346	2,923
Inventories	11	31	20	0	38	30
Total current assets		9,860	8,725	11,124	10,169	8,951
Non - Current Assets						
Non - financial assets	8	343	84	226	343	84
Derivative financial instruments	9	0	0	0	0	0
Trade and other receivables	10	106	100	68	106	100
Permanent art collection	12	0	0	0	26	26
Property, plant and equipment	12	69,246	69,333	75,689	69,289	69,377
Aquatic assets	13	7,495	13,042	14,189	7,495	13,042
Infrastructure assets	14a	591,937	579,811	567,263	591,937	579,811
Intangible assets	15	87	129	0	87	129
Total non - current assets		669,214	662,499	657,435	669,283	662,569
Total assets		679,074	671,224	668,559	679,452	671,520
LIABILITIES						
Current liabilities						
Accounts payable	16	7,258	8,479	6,096	7,390	8,576
Derivative financial instruments	9	0	0	0	0	0
Employee entitlements	17	800	733	561	819	755
Public debt - current portion	18	700	14,074	1,494	700	14,074
Total current liabilities		8,758	23,286	8,151	8,909	23,405
Non - current liabilities						
Derivative financial instruments	9	13	0	0	13	0
Employee entitlements	17	255	299	179	255	299
Public debt - term portion	18	24,727	10,513	26,468	24,727	10,513
Total non - current liabilities		24,995	10,812	26,647	24,995	10,812
Total liabilities		33,753	34,098	34,798	33,904	34,217
NET ASSETS		645,321	637,126	633,761	645,548	637,303

The accompanying accounting policies and notes form part of these financial statements.

 Wayne Guppy
MAYOR

 Chris Upton
CHIEF EXECUTIVE

Statement of comprehensive income for the year ended 30 June 2014

	NOTES	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Budget Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
OPERATING REVENUE						
Rates	1	31,850	30,352	31,646	31,850	30,352
Fees and charges	2	8,729	7,748	9,589	8,905	7,893
Development and financial contributions		460	369	664	460	369
Subsidies and grants	3	2,427	2,670	2,810	2,476	2,697
Interest and dividends	4	254	191	174	258	195
Gains		140	143	0	140	143
Total operating revenue		43,860	41,473	44,883	44,089	41,649
OPERATING EXPENDITURE						
Personnel costs		9,166	8,742	8,665	9,590	9,133
Depreciation and amortisation expense	6b	12,076	11,894	12,245	12,082	11,901
Finance costs		1,324	1,485	1,483	1,324	1,485
Bulk drainage levy		2,485	2,640	2,711	2,485	2,640
Bulk water levy		2,634	2,362	2,579	2,634	2,362
Other expenses	6a	18,094	17,200	21,030	17,843	16,918
Total operating expenditure		45,779	44,323	48,713	45,958	44,439
Surplus/(deficit) before and after tax		(1,919)	(2,850)	(3,830)	(1,869)	(2,790)
Other comprehensive income						
Gains/(losses) on infrastructural property assets revaluations	14A	14,847	11,346	(1,326)	14,847	11,346
Gains/(losses) on operational, restricted property and aquatic assets revaluations	12B	(4,733)	0	8,226	(4,733)	0
Total other comprehensive income		10,114	11,346	6,900	10,114	11,346
Total comprehensive income		8,195	8,496	3,070	8,245	8,556

The accompanying accounting policies and notes form part of these financial statements.

Explanations of major variances against budget are provided in Note 30

Statement of changes in equity for the year ended 30 June 2014

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Budget Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Equity at the start of the year	637,126	628,630	630,691	637,303	628,747
Total comprehensive income	8,195	8,496	3,070	8,245	8,556
Total comprehensive income	8,195	8,496	3,070	8,245	8,556
Equity at the end of the year	645,321	637,126	633,761	645,548	637,303

The accompanying accounting policies and notes form part of these financial statements.

Statement of cash flows for the year ended 30 June 2014

NOTES	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Budget Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
CASH FLOWS FROM OPERATING ACTIVITIES					
Cash was provided from:					
Rates	31,952	30,390	31,645	31,952	30,390
Other receipts	9,753	8,196	10,788	10,060	8,368
Interest received	262	195	174	267	199
Dividends received	0	0	0	0	0
Regional Council rates	7,664	7,150	0	7,664	7,150
	49,631	45,931	42,607	49,943	46,107
Cash was applied to:					
Suppliers and employees	(32,302)	(28,591)	(34,607)	(32,504)	(28,739)
Interest paid	(1,313)	(1,698)	(1,483)	(1,313)	(1,698)
Goods and Services Tax (net)	(93)	137	0	(92)	135
Regional Council rates	(7,671)	(7,131)	0	(7,671)	(7,131)
	(41,379)	(37,283)	(36,090)	(41,580)	(37,433)
Net cash inflow (outflow) from operating activities	23	8,252	8,648	8,363	8,674
CASH FLOWS FROM INVESTING ACTIVITIES					
Cash was provided from:					
Proceeds from sale of property, plant and equipment	0	146	607	0	146
Maturity of investments	0	0	65	15	0
	0	146	672	15	146
Cash was applied to:					
Purchase of investments	(3,300)	(1,000)	0	(3,302)	(1,000)
Purchase of property, plant and equipment	(7,425)	(6,872)	(9,991)	(7,431)	(6,869)
	(10,725)	(7,872)	(9,991)	(10,733)	(7,869)
Net cash inflow (outflow) from investing activities	(10,725)	(7,726)	(9,319)	(10,718)	(7,723)

	NOTES	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Budget Parent 30 Jun 14 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
CASH FLOWS FROM FINANCING ACTIVITIES						
Cash was provided from:						
Loan Raised		1,721	136	5,342	1,721	136
Cash was applied to:						
Loan Repayments		(881)	(1,505)	(2,303)	(881)	(1,505)
Net cash inflow (outflow) from financing activities						
		840	(1,369)	3,039	840	(1,369)
Net increase (decrease) in Cash, Cash Equivalents and Bank Overdrafts						
		(1,633)	(447)	237	(1,515)	(418)
Cash and cash equivalents as at 01 July						
		3,850	4,297	446	3,960	4,378
Cash and cash equivalents as at 30 June						
		2,217	3,850	683	2,445	3,960
Composition of cash						
Cash and cash equivalents and bank overdrafts	7	317	250	383	545	360
Call account	7	1,400	1,600	300	1,400	1,600
Short term deposits maturing three months or less	7	500	2,000	0	500	2,000
		2,217	3,850	683	2,445	3,960

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.

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

Statement of commitments

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Capital commitments approved and contracted	6,932	2,562	6,932	2,562

Capital expenditure contracted for at balance date but not yet incurred for property, plant and equipment and infrastructural assets.

Operating leases as lessee

Upper Hutt City Council leases property plant and equipment in the normal course of its business. The majority of these leases have a non-cancellable term of 36 months. The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Non-cancellable operating lease commitment as a lessee

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Property, plant and equipment				
Not later than one year	277	313	307	350
Later than one year and not later than five years.	305	428	305	428
Five years and later.	34	27	34	27
Total non-cancellable operating leases	616	768	646	805

The total minimum future sublease payments expected to be received under non-cancellable subleases at balance date is \$nil. (2013 \$nil)

Leases can be renewed at Upper Hutt City Council option, with rents set by reference to current market rates for items of equivalent age and condition.

On some contracts Upper Hutt City Council does have the option to purchase the asset at the end of the lease term but does not exercise that right.

There are no restrictions placed on Upper Hutt City Council by any of the leasing arrangements.

Upper Hutt City Council has other non-cancellable contracts approved under its tender process for the maintenance and provision of services for its city.

The majority of these operating contracts have non-cancellable term of 24 months.

The future contracts to be paid under the provision of future services are as follows:

Other non-cancellable contracts

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Not later than one year	6,099	6,746	6,099	6,746
Later than one year and not later than five years.	1,070	352	1,070	352
Five years and later.	0	0	0	0
Total other non-cancellable contracts	7,169	7,098	7,169	7,098
Total non-cancellable commitments	14,717	10,428	14,747	10,465

Non-cancellable operating lease commitment as a lessor

Upper Hutt City Council has no investment property; however it holds some property for strategic purposes in the development of the city.

These properties while being held for development are leased under operating leases. The majority of these leases have a non-cancellable term of up to five years.

The future aggregate minimum lease payments to be collected under non-cancellable operating leases are as follows:

Non-cancellable operating leases as lessor

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Not later than one year	134	130	134	130
Later than one year and not later than five years.	266	320	266	320
Five years and later.	1,193	1,257	1,193	1,257
Total non-cancellable operating leases	1,593	1,707	1,593	1,707

No contingent rents have been recognised in the Statement of Performance during the period (nil 2013).

The accompanying accounting policies and notes form part of these financial statements.

Notes to the financial statements – year ended 30 June 2014

Note 1 - Rates

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
General rates	18,284	17,385	18,284	17,385
Water fire protection rates	1,175	1,086	1,175	1,086
Stormwater disposal rates	2,313	2,220	2,313	2,220
Wastewater pan charges	6,251	6,185	6,251	6,185
Karapoti Bridge rates	2	2	2	2
Rates penalties	209	199	209	199
Rates income (excluding targeted water rates)	28,234	27,077	28,234	27,077
Rates income (excluding targeted water rates)	28,234	27,077	28,234	27,077
Water - targeted rates	3,616	3,275	3,616	3,275
Total rates income	31,850	30,352	31,850	30,352

Disclosure of rating information	30 June 2014	30 June 2013
Total land valuations of rateable properties for the city	\$3,048,551,200	\$3,000,673,100
Total capital valuation of rateable properties for the city	\$6,928,174,800	\$6,797,304,400
Total number of rateable properties	16,679	16,473

Rates remissions

Rates revenue is shown net of rate remission.

Upper Hutt City Council's rates remission policy allows Upper Hutt City Council to remit rates 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 Economic Development Policy.

Rate remissions	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Total gross rates revenue	31,965	30,467	31,965	30,467
<i>Less rates remission</i>				
Land protected for historical or cultural Purposes				
Land used for sport	101	97	101	97
Rate penalties remissions	14	18	14	18
Remissions Economic Development Policy	0	0	0	0
Total remissions	115	115	115	115
Rates revenue net of remissions	31,850	30,352	31,850	30,352

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.

Note 2 – Fees and charges

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Metered water charges	1,182	977	1,182	977
Property rentals	185	71	185	71
Permit and licence fees	1,287	1,254	1,287	1,254
H ² O Xtream and Expressions charges	1,108	1,254	1,284	1,399
Library, parks, cemetery and community charges	389	423	389	423
Vested assets	2,691	2,153	2,691	2,153
Insurance recovery	0	0	0	0
Other charges	1,887	1,616	1,887	1,616
Total Fees and Charges income	8,729	7,748	8,905	7,893

Note: Development and financial contributions are now shown separately in the Statement of Comprehensive Income.

Metered water charges are user charges imposed under the Council's Water Supply Bylaw (2008). The Long Term Plan 2012 – 2022 described them as "levied and recoverable under the Local Government (Rating Act)". This wording is inconsistent with the Council's long established practice and accounting treatment and will be corrected in future accountability documents.

Note 3 – Subsidies and grants

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Roading subsidies (NZTA ¹)	1,888	1,963	1,888	1,963
Petrol tax (crown)	138	137	138	137
Public transport subsidies (GWRC ²)	0	0	0	0
Social community project grants	346	249	346	249
Lotteries library grant	0	0	0	0
Other grants and subsidies	55	321	104	348
Total subsidies and grant income	2,427	2,670	2,476	2,697

¹ New Zealand Transport Agency

² GWRC - Greater Wellington Regional Council

There are no unfulfilled conditions and other contingencies attached to subsidies and grants recognised, (2013 = nil)

Note 4 – Interest and dividends

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Other financial assets	241	181	245	185
Trade receivables - community loans	13	10	13	10
Dividend	0	0	0	0
Total interest and dividends	254	191	258	195

Note 5 – Rate and general funding requirement for each activity

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Forecast Parent 30 Jun 14 (\$000)
Leadership	2,097	2,160	2,243
Land Transport	4,479	4,699	5,200
Water Supply	4,686	4,235	4,763
Wastewater	5,368	6,261	6,221
Stormwater	2,242	2,115	2,272
Solid waste	(480)	(344)	(443)
Planning and regulatory services			
<i>City Planning</i>	1,112	1,096	1,262
<i>Building and compliance services</i>	1,230	522	705
Community Services			
<i>Community Development</i>	602	550	602
<i>Activation</i>	250	200	241
<i>Emergency Management</i>	502	564	560
Facilities			
<i>Parks and Reserves</i>	2,136	2,347	2,253
<i>H²O Xtream</i>	1,327	1,262	1,411
<i>Library</i>	2,380	2,366	2,257
<i>Expressions Arts and Entertainment Centre</i>	775	840	803
<i>Property</i>	70	146	23
<i>Akatarawa Cemetery</i>	7	19	(4)
<i>Support Services</i>	99	64	25
Economic Development	936	823	1,050
Total rate funding requirement for each activity	29,818	29,925	31,444

This note reconciles to the Cost of Services Statements in the Statement of Service Performance section.

Note 6a – Other expenses

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Insurance	626	702	628	706
Disaster Fund Insurance	291	215	291	215
Audit Fees and disbursements	123	125	133	135
Audit LTP	0	0	0	0
Rental	274	308	277	311
Loss on disposal of assets	1,146	794	1,146	794
Penalty remission	14	18	14	18
Rates remission – sports clubs and other non-profit bodies as per the Upper Hutt City Council Remission or postponement policies	101	97	101	97
Consultants	547	605	547	614
Printing, photocopying and stationary	132	136	142	146
Telephone rental, mobile and tolls	128	142	132	145
Motor Vehicles	262	272	266	274
Electricity/Gas energy (includes street lighting)	765	820	822	880
Rates on UHCC properties	1,628	1,569	1,628	1,569
Land transport general maintenance	1,377	1,002	1,377	1,002
Water reticulation maintenance	679	524	679	524
Sewer maintenance	482	421	482	421
Drain maintenance	249	175	249	175
Other operating expenses	9,270	9,275	8,929	8,892
Total other expenses	18,094	17,200	17,843	16,918

Note: The bulk drainage levy and bulk water levy is now shown separately in the Statement of Comprehensive Income.

Note 6b – Depreciation and amortisation expense by group of activity

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Depreciation by Activity				
Leadership	0	0	0	0
Land Transport	4,117	4,095	4,117	4,095
Water supply	1,596	1,561	1,596	1,561
Wastewater	3,035	3,201	3,035	3,201
Stormwater	1,582	1,501	1,582	1,501
Solid waste	0	0	0	0
Planning and Regulatory Services	0	14	0	14
Community Services	24	29	24	29
Facilities	1,721	1,492	1,727	1,499
Economic Development	1	1	1	1
Total depreciation and amortisation expenses	12,076	11,894	12,082	11,901

Note 7 – Cash and cash equivalents

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Cash on hand	4	4	11	5
Bank balances/ (bank overdrafts)	313	246	534	355
Call account	1,400	1,600	1,400	1,600
Short term deposits maturing three months or less from date of acquisition	500	2,000	500	2,000
Total cash and cash equivalents	2,217	3,850	2,445	3,960

The carrying value of short term-deposits with maturity dates of three months or less approximates their fair value.

Refer to note 8 for weighted average effective interest rate for cash and cash equivalents.

The bank overdraft is unsecured. The facility totals \$600,000 (2013: \$600,000). The current interest rate on the facility is 11.90% per annum, (2013: 11.90% per annum).

Note 8 – Other financial assets

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Current portion				
Loans and receivables				
Short-term deposits with maturities of 4-12 months	5,300	2,000	5,340	2,038
Total current portion	5,300	2,000	5,340	2,038
Non-Current portion				
Loans and receivables				
Pins Security	0	8	0	8
LGFA ¹ borrower notes	176	0	176	0
Fair value through Equity- unlisted shares				
Investment in Capacity Infrastructure Services Ltd.	80	0	80	0
Investment in NZLG Insurance Corporation Ltd. ²	57	46	57	46
Investment in Smartlinx 3 Ltd	30	30	30	30
Total Non-current portion	343	84	343	84

Carrying value of short term deposit equates to 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 realisable value.

There were no impairment provisions for other financial assets (nil: 2013).

As at 30 June 2014 the Council has 150 Class A voting only shares in Capacity Infrastructure Services Ltd. These shares carry no nominal value (nil: 2013).

As at 30 June 2014 the Council has 40 Class B shares in Capacity Infrastructure Services Ltd. and the latest sale value was \$2,000 per share (nil: 2013).

As at 30 June the Council has 51,209 shares in Civic Assurance Ltd and the latest sale value was \$1.12 cents per share. (2013, 51,209 shares @ \$0.90 per share).

As at 30 June 2014 the Council has 3,750 shares in Smartlinx3 Ltd and the latest sale value was \$8.00 per share. (2013, 3,750 shares @ \$8.00 per share).

¹ LGFA = Local Government Funding Agency.

² NZLG Insurance Corporation Ltd. Trading as Civic Assurance.

Maturity analysis and effective interest rates

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

2014	Short term deposits Parent (\$000)	Short term deposits Group (\$000)	Other Council and Group (\$000)
Short term deposits (with maturities of 3 months or less; average maturity 91 days)	500	500	0
<i>weighted average effective interest rate</i>	4.10%	4.10%	0%
Short term deposits (with maturities of 4-12 months; average maturity 98 days)	5,300	5,340	0
<i>weighted average effective interest rate</i>	4.06%	4.06%	0%
LGFA Borrower Notes (maturities to 15 December 2019)	0	0	176
<i>weighted average effective interest rate</i>	0%	0%	3.49%
Call account	1,400	1,400	0
<i>weighted average effective interest rate</i>	3.25%	3.25%	0%
	7,200	7,200	176

2013	Short term deposits Parent (\$000)	Short term deposits Group (\$000)	Other Council and Group (\$000)
Short term deposits (with maturities of 3 months or less; average maturity 85 days)	2,000	2,000	0
<i>weighted average effective interest rate</i>	3.47%	3.47%	0%
Short term deposits (with maturities of 4-12 months or less; average maturity 110 days)	2,000	2,038	0
<i>weighted average effective interest rate</i>	3.79%	3.80%	0%
Pins Security (maturity 31 January 2014)	0	0	8
<i>weighted average effective interest rate</i>	0%	0%	0%
Call account	1,600	1,600	0
<i>weighted average effective interest rate</i>	2.50%	2.50%	0%
	5,600	5,638	8

Note 9 – Derivative financial instruments**Interest rate swaps – fair value**

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Current asset portion	0	0	0	0
Non-current asset portion	0	0	0	0
Current liability portion	0	0	0	0
Non-current liability portion	(13)	0	(13)	0

The notional principal amounts of the outstanding interest rate swap contracts at 30 June 2014 were \$1.50M (2013 Nil).

The swaps:

Westpac ¹ \$1.50M matures on 15 November 2021

Westpac ² \$1.00M matures on 15 December 2018

Westpac ³ \$1.00M matures on 15 December 2020

Westpac ⁴ \$1.00M matures on 15 December 2019

Westpac ⁵ \$1.00M matures on 26 January 2018

Note 10 – Trade and other receivables

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Rates receivables	734	757	734	757
Sundry debtors	582	398	591	442
Community loans	152	130	152	130
GST	265	172	288	194
Related party receivables	4	8	0	0
Accrued revenue	369	1,301	371	1,302
Prepayments	362	239	366	248
	2,468	3,005	2,502	3,073
Less provision for impairment of receivables	(50)	(50)	(50)	(50)
Total trade and other receivables	2,418	2,955	2,452	3,023
Less Non-Current portion:				
Community Loans	106	100	106	100
Total Non-Current Portion	106	100	106	100
Current Portion	2,312	2,855	2,346	2,923

The fair value of community loans is \$151,907 (2013 \$129,718). Fair value has been determined using cash flows discounted at a rate of 2.5% to 7.25% (2013: 2.5% to 7.25%)

The face value of community loans is \$158,121 (2013 \$145,803).

The 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.

As of 30 June 2014 and 2013, all overdue receivables, except for rates receivables, have been assessed for impairment and appropriate provisions applied. Upper Hutt City Council holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

The impairment provision has been calculated based on expected losses for Upper Hutt City Council's pool of debtors.

Expected losses have been determined based on an analysis of Upper Hutt City Council's losses in previous periods, and review of specific debtors Upper Hutt City Council's losses in previous periods and a review of specific debtors.

Movements in the provision for impairment of receivables and community loans are as follows:

Provision for impairment of receivables	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
At 1 July	50	50	50	50
Additional provisions made during the year	7	14	7	14
Receivables written off during period	(7)	(14)	(7)	(14)
At 30 June	50	50	50	50

Age of rates receivables	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
The age of rates receivable overdue that have not been impaired are as follows:				
Current 90 Days over	700	725	700	725
1 to 2 year old	31	30	31	30
2 to 3 years old	3	2	3	2
greater than 3 years old	0	0	0	0
Carrying Amount as at 30 June	734	757	734	757

Age of sundry debtors

The age of sundry debtors overdue that have not been impaired are as follows:

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Past due 1-30 days	436	290	441	331
Past due 31 -60 days	51	11	51	11
Past due 61 -90 days	36	6	37	8
Past due greater than 90 days	59	91	61	91
Carrying Amount as at 30 June	582	398	591	441

Note 11 - Inventories

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Printing, photocopying and stationery supplies	31	20	38	30

The carrying amount of inventories held for distribution is measured at current replacement cost at 30 June 2014.

The carrying amount of inventories pledged as security for liabilities is \$nil (2013: \$nil).

Note 12A – 2014 Council operational; assets, property, plant and equipment

	Accum.											Closing Book Value 30 Jun 14 (\$000)
	Opening Cost/Valuation 1 Jul 13 (\$000)	Deprn. and impairment charge AD 1 Jul 13 (\$000)	Opening Book Value BV 1 Jul 13 (\$000)	Current Year Additions (\$000)	Current Year Disposals (\$000)	Current Year Revaluation Surplus (\$000)	Current Year Annual Depn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/Disposals (\$000)	Closing Cost/Valuation 30 Jun 14 (\$000)	Closing Accum. Depn. AD 30 Jun 14 (\$000)	
Current surplus assets	1,425	0	1,425	0	0	(470)	0	0	0	955	0	955
Land	8,639	0	8,639	0	(77)	1,732	0	0	0	10,294	0	10,294
Buildings	19,507	(1,947)	17,560	99	0	0	(310)	0	0	19,606	(2,257)	17,349
Furniture and equipment	896	(844)	52	27	0	1	(20)	0	0	924	(864)	60
Library books	2,992	(670)	2,322	275	0	0	(400)	0	0	3,267	(1,070)	2,197
Motor vehicles	888	(644)	244	46	(3)	0	(47)	0	49	882	(642)	240
Plant	6,652	(1,465)	5,187	254	(167)	2	(336)	0	(93)	6,834	(1,894)	4,940
Work in progress	44	0	44	66	0	0	0	(44)	0	66	0	66
Total operational assets 2014	41,043	(5,570)	35,473	767	(247)	1,265	(1,113)	(44)	(44)	42,828	(6,727)	36,101

A B C D E F G H I J K L

Formulas

Opening CV to Closing CV A + D + E + F + H - I Opening CV to Closing BV J + K
 Opening AD to Closing AD B + G + I Opening CV to Closing BV A + B + D + E + F + G + H

Note: H₂O Xtream assets have been transferred to Note 13 Aquatic Assets.

Note 12B – 2014 Council restricted assets, restricted property, plant and equipment

	Opening Cost/Valuation CV 1 Jul 13 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 13 (\$000)	Opening Book Value BV 1 Jul 13 (\$000)	Current Year Additions (\$000)	Current Year Disposals (\$000)	Current Year Revaluation Surplus (\$000)	Current Year Annual Depn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/Disposals (\$000)	Closing Cost/Valuation CV 30 Jun 14 (\$000)	Closing Accum. Depn AD 30 Jun 14 (\$000)	Closing Book Value BV 30 Jun 14 (\$000)
Land	24,179	0	24,179	162	0	(763)	0	0	0	23,578	0	23,578
Buildings	2,777	(322)	2,455	41	0	0	(31)	0	1	2,817	(352)	2,465
Parks and Reserves services	7,775	(549)	7,226	122	(40)	0	(206)	0	7	7,850	(748)	7,102
Total restricted assets 2014	34,731	(871)	33,860	325	(40)	(763)	(237)	0	8	34,245	(1,100)	33,145

Total Council property, plant and equipment 2014	75,774	(6,441)	69,333	1,092	(287)	502	(1,350)	(44)	(36)	77,073	(7,827)	69,246
	A	B	C	D	E	F	G	H	I	J	K	L

Formulas

Opening CV to Closing CV A + D + E + F + H - I Opening CV to Closing BV J + K
 Opening AD to Closing AD B + G + I Opening CV to Closing BV A + B + D + E + F + G + H

Note 12C – 2014 Subsidiaries assets, property, plant and equipment

	Opening Cost/ Valuation CV 1 Jul 13 (\$000)	Accum. Deprn. and impairment charge AD 1 Jul 13 (\$000)	Opening Book Value BV 1 Jul 13 (\$000)	Current Year Additions (\$000)	Current Year Disposals BV (\$000)	Current Year Revaluation/ Return to Equity (\$000)	Current Year Annual Deprn. (\$000)	WIP Capitalised Transferred (\$000)	Eliminate Deprn on Revaluation/ Disposals (\$000)	Closing Cost/ Valuation CV 30 Jun 14 (\$000)	Closing Accum. Deprn AD 30 Jun 14 (\$000)	Closing Book Value BV 30 Jun 14 (\$000)
Expressions property, plant and equipment	79	(35)	44	5	0	0	(6)	0	7	77	(34)	43
Total subsidiary assets 2014	79	(35)	44	5	0	0	(6)	0	7	77	(34)	43
Total group property, plant and equipment 2014	75,853	(6,476)	69,377	1,097	(287)	502	(1,356)	(44)	(29)	77,150	(7,861)	69,289

Formulas

Opening CV to Closing CV A + D + E + F + H - I

Opening AD to Closing AD B + G + I

Opening CV to Closing BV J + K

Opening CV to Closing BV A + B + D + E + F + G + H

Notes:

Opening work in progress of \$44,000 has been capitalised to Council buildings.

Note 12A – 2013 Council operational assets, property, plant and equipment

	Opening Cost/ Valuation CV 1 Jul 12 (\$000)	Accum. Deprn. and impairment charge AD 1 Jul 12 (\$000)	Opening Book Value BV 1 Jul 12 (\$000)	Current Year Additions (\$000)	Current Year Disposals BV (\$000)	Current Year Revaluation/ Return to Equity (\$000)	Current Year Annual Deprn. (\$000)	WIP Capitalised Transferred (\$000)	Eliminate Deprn on Revaluation/ Disposals (\$000)	Closing Cost/ Valuation CV 30 Jun 13 (\$000)	Closing Accum. Deprn. AD 30 Jun 13 (\$000)	Closing Book Value BV 30 Jun 13 (\$000)
	A	B	C	D	E	F	G	H	I	J	K	L
Current surplus assets	1,676	0	1,676	8	(259)	0	0	0	0	1,425	0	1,425
Land	8,639	0	8,639	0	0	0	0	0	0	8,639	0	8,639
Buildings	19,490	(1,640)	17,850	17	0	0	(307)	0	0	19,507	(1,947)	17,560
Furniture and equipment	915	(828)	87	0	(2)	0	(33)	0	17	896	(844)	52
Library books	2,766	(314)	2,452	226	0	0	(356)	0	0	2,992	(670)	2,322
Motor vehicles	888	(586)	302	0	0	0	(58)	0	0	888	(644)	244
Plant	3,256	(1,248)	2,008	3,405	(5)	0	(221)	0	4	6,652	(1,465)	5,187
Work in progress	3,878	0	3,878	44	0	0	0	(3,878)	0	44	0	44
Total operational assets 2013	41,508	(4,616)	36,892	3,700	(266)	0	(975)	(3,878)	21	41,043	(5,570)	35,473

Formulas

Opening CV to Closing CV A + D + E + F + H - I Opening CV to Closing BV J + K
 Opening AD to Closing AD B + G + I Opening CV to Closing BV A + B + D + E + F + G + H

Note: H₂O Xtream assets have been disclosed as Note 13 Aquatic Assets.

Note 12B – 2013 Council restricted assets, restricted property, plant and equipment

	Opening Cost/ Valuation 1 Jul 12 (\$000)	Accum. Depn. and impairment charge 1 Jul 12 (\$000)	Opening Book Value 1 Jul 12 (\$000)	Current Year Additions (\$000)	Current Year Disposals (\$000)	Current Year Revaluation Surplus (\$000)	Current Year Annual Depn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/ Disposals (\$000)	Closing Cost/ Valuation 30 Jun 13 (\$000)	Closing Accum. Depn AD 30 Jun 13 (\$000)	Closing Book Value 30 Jun 13 (\$000)
	A	B	C	D	E	F	G	H	I	J	K	L
Land	24,179	0	24,179	0	0	0	0	0	0	24,179	0	24,179
Buildings	2,222	(291)	1,931	555	0	0	(31)	0	0	2,777	(322)	2,455
Parks and Reserves services	6,566	(352)	6,214	1,212	(3)	0	(197)	0	0	7,775	(549)	7,226
Total restricted assets 2013	32,967	(643)	32,324	1,767	(3)	0	(228)	0	0	34,731	(871)	33,860
Total Council property, plant and equipment 2013	74,475	(5,259)	69,216	5,467	(269)	0	(1,203)	(3,878)	21	75,774	(6,441)	69,333

Formulas

Opening CV to Closing CV A + D + E + F + H - I J + K
 Opening AD to Closing AD B + G + I A + B + D + E + F + G + H

Note 12C – 2013 Subsidiaries assets, property, plant and equipment

	Opening Valuation CV 1 Jul12 (\$000)	Accum. Depn. and impairment charge AD 1 Jul 12 (\$000)	Opening Book Value BV 1 Jul 12 (\$000)	Current Year Additions (\$000)	Current Year Disposals BV (\$000)	Current Year Revaluation/Return to Equity (\$000)	Current Year Annual Depn. (\$000)	WIP Capitalised Transferred (\$000)	Eliminate Depn on Revaluation/Disposals (\$000)	Closing Cost/Valuation CV 30 Jun 13 (\$000)	Closing Accum. Depn AD 30 Jun 13 (\$000)	Closing Book Value BV 30 Jun 13 (\$000)
	A	B	C	D	E	F	G	H	I	J	K	L
Expressions property, plant and equipment	88	(42)	46	5	0	0	(7)	0	14	79	(35)	44
Total subsidiary assets 2013	88	(42)	46	5	0	0	(7)	0	14	79	(35)	44
Total group property, plant and equipment 2013	74,563	(5,301)	69,262	5,472	(269)	0	(1,210)	(3,878)	35	75,853	(6,476)	69,377

NOTES:

Opening work in progress of \$3,878,000 has been capitalised to park assets

Formulas

Opening CV to Closing CV A + D + E + F + H - I Opening CV to Closing BV J + K
 Opening AD to Closing AD B + G + I Opening CV to Closing BV A + B + D + E + F + G + H

Note 12D – Permanent art collection

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Pumpkin Cottage Art Collection	0	0	26	26

NOTE:

The Pumpkin Cottage Art Collection was donated to Expressions and valued at \$26,095 by an independent valuer in September 2009.

Note 13 - 2014 Aquatic assets

	Opening Cost/ Valuation CV 1 Jul12 (\$000)	Accum. Deprn. and impairment charge AD 1 Jul 12 (\$000)	Opening Book Value BV 1 Jul 12 (\$000)	Current Year Additions (\$000)	Current Year Disposals BV (\$000)	Current Year Revaluation Surplus (\$000)	Current Year Annual Deprn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/ Disposals (\$000)	Closing Cost/ Valuation CV 30 Jun 13 (\$000)	Closing Accum. Deprn AD 30 Jun 13 (\$000)	Closing Book Value BV 30 Jun 13 (\$000)
Land	1,237	0	1,237	0	0	0	0	0	0	1,237	0	1,237
Buildings	10,550	(704)	9,846	8	0	(4,063)	(212)	0	916	5,559	0	5,559
Plant	3,173	(1,214)	1,959	116	(80)	(1,152)	(144)	0	1,358	699	0	699
Total operational assets	14,960	(1,918)	13,042	124	(80)	(5,235)	(356)	0	2,274	7,495	0	7,495

Note 13 - 2013 Aquatic assets

	Opening Cost/ Valuation CV 1 Jul 12 (\$000)	Accum. Deprn. and impairment charge AD 1 Jul 12 (\$000)	Opening Book Value BV 1 Jul 12 (\$000)	Current Year Additions (\$000)	Current Year Disposals BV (\$000)	Current Year Revaluation Surplus (\$000)	Current Year Annual Deprn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/ Disposals (\$000)	Closing Cost/ Valuation CV 30 Jun 13 (\$000)	Closing Accum. Deprn AD 30 Jun 13 (\$000)	Closing Book Value BV 30 Jun 13 (\$000)
Land	1,237	0	1,237	0	0	0	0	0	0	1,237	0	1,237
Buildings	10,550	(574)	9,976	0	0	0	(130)	0	0	10,550	(704)	9,846
Plant	3,173	(1,007)	2,166	0	0	0	(207)	0	0	3,173	(1,214)	1,959
Total operational assets	14,960	(1,581)	13,379	0	0	0	(337)	0	0	14,960	(1,918)	13,042

Note 14A – 2014 Council infrastructural assets

	Opening Cost/Valuation 1 Jul 13 (\$000)	Accum. Depn. and impairment charge 1 Jul 13 (\$000)	Opening Book Value BV 1 Jul 13 (\$000)	Current year Additions (\$000)	Current year Disposals (\$000)	Current year Revaluation Surplus (\$000)	Current year Annual Depn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/Disposal (\$000)	Closing Cost/Valuation 30 Jun 14 (\$000)	Closing Accum. Depn AD 30 Jun 14 (\$000)	Closing Book Value BV 30 Jun 14 (\$000)
Land under roads at cost	87,330	0	87,330	a 892	0	0	0	0	0	88,222	0	88,222
Roads	186,830	0	186,830	b 3,837	(117)	3,851	(4,117)	0	4,117	190,284	0	190,284
Stormwater	102,584	0	102,584	c 1,110	(206)	4,117	(1,572)	0	1,572	106,033	0	106,033
Telemetry	343	0	343	19	(5)	0	(37)	0	37	320	0	320
Wastewater	78,512	0	78,512	d 1,361	(245)	1,361	(1,704)	0	1,704	79,285	0	79,285
Water	82,075	0	82,075	e 1,350	(209)	5,521	(1,570)	0	1,570	87,167	0	87,167
Hutt Valley Wastewater Assets (note 13B)	43,788	(2,325)	41,463	393	0	0	(1,326)	0	0	44,181	(3,651)	40,530
Work in progress	674	0	674	24	0	0	0	(602)	0	96	0	96
Total infrastructure assets 2014	582,136	(2,325)	579,811	8,986	(782)	14,850	(10,326)	(602)	9,000	595,588	(3,651)	591,937

NOTE: That the closing book value is the most recent estimate of the replacement cost

a Additions include vested assets of \$891,841

c Additions include vested assets of \$368,021

e Additions include vested assets of \$333,936

b Additions include vested assets of \$429,707

d Additions include vested assets of \$505,400

Formulas

Opening CV to Closing CV A + D + E + F + H - I

J + K

Opening AD to Closing AD B + G + I

A + B + D + E + F + G + H

Opening CV to Closing BV

Opening CV to Closing BV

Note 14A – 2013 Council infrastructural assets

	Accum.										
	Opening Cost/ Valuation 1 Jul 12 (\$000)	Deprn. and impairment charge 1 Jul 12 (\$000)	Opening Book Value 1 Jul 12 (\$000)	Current year Additions (\$000)	Current year Disposals (\$000)	Current year Revaluation Surplus (\$000)	Current year Annual Deprn. (\$000)	WIP Transferred (\$000)	Eliminate on Revaluation/ Disposal (\$000)	Closing Cost/ Valuation 30 Jun 13 (\$000)	Closing Accum. Deprn AD 30 Jun 13 (\$000)
Land under roads at cost	86,844	0	86,844	a 486	0	0	0	0	87,330	0	87,330
Roads	179,928	0	179,928	b 3,280	(54)	7,771	(4,095)	0	186,830	0	186,830
Stormwater	99,316	0	99,316	c 1,027	(137)	3,870	(1,492)	0	102,584	0	102,584
Telemetry	343	0	343	12	(2)	30	(40)	0	343	0	343
Wastewater	81,589	0	81,589	d 1,155	(319)	(2,214)	(1,699)	0	78,512	0	78,512
Water	80,455	0	80,455	e 1,433	(169)	1,889	(1,533)	0	82,075	0	82,075
Hutt Valley Wastewater Assets (note 13B)	43,222	(829)	42,393	566	0	0	(1,496)	0	43,788	(2,325)	41,463
Work in progress	429	0	429	268	0	0	0	(23)	674	0	674
Total infrastructure assets 2013	572,126	(829)	571,297	8,227	(681)	11,346	(10,355)	(23)	582,136	(2,325)	579,811

NOTE: That the closing book value is the most recent estimate of the replacement cost.

a. Additions include vested assets of \$485,585

b. Additions include vested assets of \$847,604

c. Additions include vested assets of \$298,363

d. Additions include vested assets of \$127,851

e. Additions include vested assets of \$393,633

Formulas

Opening CV to Closing CV A + D + E + F + H - I

Opening AD to Closing AD B + G + I

Opening CV to Closing BV J + K

Opening CV to Closing BV A + B + D + E + F + G + H

Upper Hutt City Council has no flood protection or control works to disclose as this is covered by Greater Wellington Regional Council.

Note 14B – 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 the 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) principal consultant and reviewed by Ian Martin (BE, CPEng, MIPENZ), associate director, AECOM (NZ) Ltd.

Upper Hutt City Council now has an interest in the total assets of \$40.530M (2013 \$41.463M) as recognised as part of Infrastructural assets.

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

Hutt Valley wastewater scheme transactions	Actual	Actual	Actual	Actual
	Parent	Parent	Group	Group
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	(\$000)	(\$000)	(\$000)	(\$000)
Drainage Levy	2,485	2,684	2,485	2,684
Capital Contributions	393	559	393	559
Trade Waste Income	(85)	(103)	(85)	(103)

Note 15 – Intangible assets

Computer software	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Balance at 01 July				
Cost	291	162	291	162
Accumulated amortisation and impairment	(162)	(162)	(162)	(162)
Opening carrying amount	129	0	129	0
Year ended 30 June				
Additions	0	129	0	129
Amortisation charge	(42)	0	(42)	0
Closing carrying amount at 30 June	87	129	87	129
Cost balance at 30 June	291	291	291	291
Accumulated amortisation and impairment	(204)	(162)	(204)	(162)
Closing cost amount at 30 June	87	129	87	129

Note 16 – Trade and other payables

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Trade creditors	4,763	6,059	4,863	6,134
Rates in advance	765	686	765	686
Greater Wellington Regional Council Rates	261	255	261	255
Fees in advance	372	421	372	422
Amounts due to related parties	34	34	0	0
Accrued interest payable	49	38	49	38
Payroll liability	170	129	170	129
Other liabilities	107	135	107	135
Deposits and trust accounts	737	722	804	777
Total Trade and Other Payables	7,258	8,479	7,390	8,576

Trade and other payables are non-interest bearing and are normally settled on 30-day terms, therefore the carrying value of trade and other payables approximates their fair value. Provisions are contained within other liabilities in Trade and Other Payables.

Provisions	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Weathertightness claims	34	92	34	92

Four claims have been lodged with the Weathertight Homes Resolution Service (WHRS) as at 30 June 2014 (2013, 4).

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 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.

Note 17 – Employee benefit liabilities

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Accrued pay	224	203	243	225
Annual leave	533	493	533	493
Sick leave	43	37	43	37
Retirement and long service leave	255	299	255	299
Total employee benefit liabilities	1,055	1,032	1,074	1,054
Current	800	733	819	755
Non-current	255	299	255	299
Total employee entitlements	1,055	1,032	1,074	1,054

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 3.65% (2013, 2.65%) and an inflation rate of 1.60% (2013, 0.70%) have been applied.

Note 18 - Borrowings

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Current				
Secured loans	700	14,074	700	14,074
Total current borrowings	700	14,074	700	14,074
Non-current				
Secured loans	24,727	10,513	24,727	10,513
Total non-current borrowings	24,727	10,513	24,727	10,513
Total borrowings	25,427	24,587	25,427	24,587

Fixed-rate debt

Upper Hutt City Council's secured debt of \$14.427 million (2013, \$20.442 million) is issued at fixed rates of interest.

Floating-rate debt

Upper Hutt City Council's secured debt of \$11.000 million (2013, \$4.143 million) is issued at floating rates of interest.

Security

The overdraft is unsecured. The maximum amount that can be drawn down against the overdraft facility is \$600,000 (2013, \$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 (2013, \$60,985).

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 \$41.208 million (2013, \$30.208 million), under its Debenture Trust Deed. This stock has been issued to four banking institutions as security for existing facilities totalling committed funds of \$24.587 million (2013, \$24,587 million) and uncommitted facilities available to the value of \$41,394 (2013, \$90,681).

Upper Hutt City Council manages its borrowings in accordance with its funding and financial policies, which includes a Liability Management Policy.

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

Interest Rates

The weighted average effective interest rate on loans outstanding (current and non-current) at 30 June 2014 was 5.22% (5.91% in June 2013). The loans are secured by a rate made pursuant to Section 115 of the Local Government Act 2002 upon the rateable property in the City of Upper Hutt.

Maturity analysis and effective interest rates

The following is a maturity analysis of Upper Hutt City Council's borrowings. There are no early repayment options.

Borrowings	30 Jun 14 Secured Loans Parent and Group	30 Jun 13 Secured Loans Parent and Group
Less than one year	700	14,074
<i>weighted average effective interest rate</i>	5.22%	5.91%
Later than one year but not more than five years	24,727	10,513
<i>weighted average effective interest rate</i>	5.22%	5.91%
Later than five years	0	0
<i>weighted average effective interest rate</i>	0.00%	0.00%
Total Borrowings	25,427	24,587

The carrying amounts and the fair value on on-current borrowings are as follows:

Fair value of non-current borrowings	Carrying Amounts		Fair Value	
	30 Jun 14 (\$000)	30 Jun 13 (\$000)	30 Jun 14 (\$000)	30 Jun 13 (\$000)
Non-current				
Secured loans	24,727	10,513	24,727	10,513
Total Non-Current borrowings	24,727	10,513	24,727	10,513

The carrying amounts of borrowings repayable approximate their fair value as the loans are re-priced every 90 days.

Internal borrowings

The Council borrows on a whole-of-council basis, hence statements of internal borrowing are not appropriate.

Note 19 – 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 Australian and New Zealand Bank (ANZ). 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 market 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 \$1.5 million (2013, \$2.895 million).

A – Financial instrument categories

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Financial assets				
Fair value through surplus and deficit	0	0	0	0
Derivative financial instrument assets	0	0	0	0
Loans and receivables				
Cash at bank and cash equivalents	2,217	3,850	2,445	3,960
Debtors and other receivables	2,266	2,825	2,300	2,893
Other financial assets				
- term deposits	5,300	2,008	5,340	2,046
- community loans	152	130	152	130
- LGFA borrow notes	176	0	172	0
Total loans and receivables	10,111	8,813	10,413	9,029
Fair value through other comprehensive income				
Other financial assets				
- unlisted shares	167	76	167	76
Total fair value through other comprehensive income	167	76	167	76
Financial Liabilities				
Fair value through profit and loss	13	0	13	0
Derivative financial instrument	13	0	13	0
Financial liabilities at amortised cost				
Creditors and other payables	7,258	8,481	7,390	8,577
Borrowings				
- secured loans	25,427	24,587	25,427	24,587
Total financial liabilities at amortised cost	32,685	33,068	32,817	33,164

B – Fair value hierarchy disclosures

For those instruments recognised at fair value in the statement of financial position, fair values are determined according to the following hierarchy:

Quoted market price (level one) - Financial instruments with quoted prices for identical instruments in active markets.

Valuation technique using observable inputs (level two) - Financial instruments with quoted price for similar instruments in active markets or quoted prices for identical or similar instruments in inactive markets and financial instruments valued using models where all significant inputs are observable.

Valuation techniques with significant non-observable inputs (level three) - Financial instruments valued using models where one or more significant inputs are not observable.

The following table analyses the basis of the valuation of classes of financial instruments measured at fair value in the Statement of Financial Position:

	Total \$000	Valuation Technique		
		Quoted \$000	Observable \$000	Significant \$000
Council 30 June 2014				
Financial assets				
Derivatives	0	0	0	0
Shares	167	0	167	0
Financial liabilities				
Derivatives	13	13	0	0
Group 30 June 2014				
Financial assets				
Derivatives	0	0	0	0
Shares	167	0	167	0
Financial liabilities				
Derivatives	13	13	0	0
Council 30 June 2013				
Financial assets				
Derivatives	0	0	0	0
Shares	76	0	76	0
Financial liabilities				
Derivatives	0	0	0	0
Group 30 June 2013				
Financial assets				
Derivatives	0	0	0	0
Shares	76	0	76	0
Financial liabilities				
Derivatives	0	0	0	0

C – Financial instrument risks

Upper Hutt City Council has policies to manage the risks associated with financial instruments. Upper Hutt City Council is risk adverse and seeks to minimise exposure from its treasury activities. Upper Hutt City Council has established Council Approved Liability Management and Investment Policies. These policies do not allow any transactions that are speculative in nature to be entered into.

Market risk

Currency Risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in foreign exchange rates. Upper Hutt City Council does not currently enter into arrangements from which significant currency risk arises. Purchases denominated in foreign currency are of a one off nature made using the rate at the time of the transaction.

Fair value interest rate risk

Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate due to changes in market interest rates.

Cash flow interest rate risk

Cash flow interest rate risk is the risk that cash flows from a financial instrument will fluctuate because of changes in market interest rates. Borrowings and investments issued at variable interest rates expose Upper Hutt City Council to cash flow interest rate risks.

Credit Risk

Credit risk is the risk that a third party will default on its obligations to Upper Hutt City Council causing Upper Hutt City Council to incur a loss. Due to the timing of its cash inflows and outflows, Upper Hutt City Council invests surplus cash into term deposits which gives rise to credit risk. Upper Hutt City Council's Investment policy limits the amount of credit exposure to any one financial institution or organisation. Upper Hutt City Council only invests with entities that have a Standard and Poor's credit rating of at least A2 for short term and A- for long term investments.

Upper Hutt City Council has no collateral or other credit enhancements for financial instruments that give rise to credit risk.

C – Maximum exposure to credit risk	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Upper Hutt City Council's maximum credit exposure for each class of financial instrument is as follows:				
Cash at bank and term deposits	7,517	5,858	7,785	6,006
Debtors and other receivables	2,266	2,825	2,300	2,893
Community and related party loans	152	130	152	130
Derivative financial instrument assets	0	0	0	0
Total credit risk	9,935	8,813	10,237	9,029

D – Credit quality of financial assets

The credit quality of financial assets that are neither past due nor impaired can be assessed by reference to Standard and Poor's credit ratings (if available) or to historical information about counterparty default rates.

Credit quality of financial assets	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Counterparties with credit ratings				
Cash at bank and term deposits				
AA+ (Standard and Poors)	176	0	176	0
AA (Standard and Poors)	0	3,250	0	3,398
AA- (Standard and Poors)	4,213	2,600	4,473	2,600
A+ (Standard and Poors)	3,300	0	3,300	0
Aa1 (Moody's - Principal only)	0	8	0	8
Total Cash at bank and term deposits	7,689	5,858	7,949	6,006
Derivative financial instrument assets:				
AA (Standard and Poors)	0	0	0	0
Total Cash at bank and term deposits	0	0	0	0
Counterparties without Credit Ratings				
Community and related party loans:				
Existing Counterparty with defaults in past	12	15	12	15
Existing Counterparty with no defaults in past	140	114	140	114
Total community and related party loans	152	129	152	129

Debtors and other receivable mainly arise from Upper Hutt City Council's statutory functions, therefore there are no procedures in place to monitor or report the credit quality and other receivables with reference to internal or external credit ratings.

Upper Hutt City Council has no significant concentrations of credit risk in relation to debtors and other receivables, it has a large number of credit customers, mainly ratepayers and Upper Hutt City Council has powers under the Local Government (Rating) Act 2002 to recover outstanding debts from ratepayers.

E – Liquidity risk

Management of liquidity risk

Liquidity risk is the risk that Upper Hutt City Council will encounter difficulty raising liquid funds to meet commitments as they fall due. Prudent liquidity management implies maintaining sufficient cash, the availability of funding through an adequate amount of committed credit facilities and the ability to close out market positions. Upper Hutt City Council aims to maintain flexibility in funding by keeping committed credit lines available.

In meeting its liquidity requirements, Upper Hutt City Council maintains a target level of investments that must mature within the next twelve months. Upper Hutt City Council manages its borrowings in accordance with its funding and financial policies, which include a Liability Management policy. These policies have been adopted as part of Upper Hutt City Council's Long Term Plan. Upper Hutt City Council has a maximum amount that can be drawn against its overdraft facility of \$600,000 (2010 \$600,000). There are no restrictions on the use of this facility.

F – Contractual maturity analysis of financial liabilities

The table below analyses Upper Hutt City Council's financial liabilities into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date. Future interest payments on floating rate debt are based on the floating rate on the instrument at the balance date. The amounts disclosed are the contractual undiscounted cash flows.

Contractual maturity analysis of financial liabilities	Carrying amount \$000	Contractual cash flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
Council 2014						
Creditors and other payables	7,258	7,258	7,258	0	0	0
Secured Loans	25,427	26,584	2,969	13,072	10,543	0
Total	32,685	33,842	10,227	13,072	10,543	0
Group 2014						
Creditors and other payables	7,390	7,390	7,390	0	0	0
Secured Loans	25,427	26,584	2,969	13,072	10,543	0
Total	32,817	33,974	10,359	13,072	10,543	0
Council 2013						
Creditors and other payables	8,481	8,481	8,481	0	0	0
Secured Loans	24,587	25,873	12,477	13,395	0	0
Total	33,068	34,354	20,958	13,395	0	0
Group 2013						
Creditors and other payables	8,577	8,577	8,577	0	0	0
Secured Loans	24,587	25,873	12,477	13,395	0	0
Total	33,164	34,450	21,054	13,395	0	0

G – Contractual maturity analysis of financial assets

The table below analyses Upper Hutt City Council's financial assets into relevant maturity groupings based on the remaining period at the balance date to the contractual maturity date.

Contractual maturity analysis of financial assets	Carrying amount \$000	Contractual cash flows \$000	Less than 1 Year \$000	1-2 Years \$000	2-5 Years \$000	More than 5 Years \$000
Council 2014						
Cash and cash equivalents	2,217	2,217	2,217	0	0	0
Debtors and other receivables	2,266	2,266	2,266	0	0	0
Other financial assets:						
- term deposits	5,300	5,865	5,865	0	0	0
- community and related party loans	152	167	38	75	54	
Total	9,935	10,515	10,386	75	54	0
Group 2014						
Cash and cash equivalents	2,445	2,445	2,445	0	0	0
Debtors and other receivables	2,300	2,300	2,300	0	0	0
Other financial assets:						
- term deposits	5,340	5,906	5,906	0	0	0
- community and related party loans	152	167	38	75	54	0
Total	10,237	10,818	10,689	75	54	0
Council 2013						
Cash and cash equivalents	3,850	3,850	3,850	0	0	0
Debtors and other receivables	2,825	2,825	2,825	0	0	0
Other financial assets:						
- term deposits	2,008	2,031	2,031	0	0	0
- community and related party loans	130	142	33	66	43	0
Total	8,813	8,848	8,739	66	43	0
Group 2013						
Cash and cash equivalents	3,960	3,960	3,960	0	0	0
Debtors and other receivables	2,893	2,893	2,893	0	0	0
Other financial assets:						
- term deposits	2,046	2,071	2,071	0	0	0
- community and related party loans	130	142	33	66	43	0
Total	9,029	9,066	8,957	66	43	0

H – Sensitivity analysis

The tables below illustrate the potential surplus or deficit and equity (excluding accumulated funds) impact for reasonably possible market movements, with all other variables held constant, based on Upper Hutt City Council's financial instrument exposures at the balance date.

Sensitivity Analysis	Note	2014 \$000		2013 \$000	
		-100bps	+100bps	-100bps	+100bps
Council Interest rate risk					
Financial assets					
Cash and cash equivalents	1	-14	14	-16	16
Financial liabilities					
Term loans	2	-254	254	-246	246
Total sensitivity to interest rate risk		-268	268	-262	262

Explanation of sensitivity analysis – Council

1. Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$1.4 million (2013, \$1.6 million) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$14,000 (2013, \$16,000).

2. Secured loans

Council has floating rate debt with a principal amount of \$25.427 million (2013, \$24.587 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$254,270 (2013, \$245,870).

Sensitivity Analysis	Note	2014 \$000		2013 \$000	
		-100bps	+100bps	-100bps	+100bps
Group Interest rate risk					
Financial assets					
Cash and cash equivalents	1	-14	14	-16	16
Financial liabilities					
Term loans	2	-254	254	-246	246
Total sensitivity to interest rate risk		-268	268	-262	262

Explanation of sensitivity analysis – Group

1. Cash and cash equivalents

Cash and cash equivalents include deposits at call totalling \$1.4 million (2013, \$1.6 million) which are at floating rates. A movement in interest rates of plus or minus 1.0% has an effect on interest income of \$14,000 (2013, \$16,000).

2. Secured loans

Council has floating rate debt with a principal amount of \$25.427 million (2013, \$24.587 million). A movement in interest rates of plus or minus 1.0% has an effect on interest expense of \$254,270 (2013, \$245,870).

Insurance Risk Local Government Authority Act 2002 (clause 31A)

- a. The total value of all above ground assets (excludes land and roads) of the local authority that are covered by insurance contracts is \$93,109 million. The maximum amount to which they are insured is \$150 million for any one event, including business interruption.
- b. The total value of all assets of the local authority that are covered by financial risk sharing arrangements is underground assets with a total value of \$299,067 million. The maximum amount available to the local authority under those arrangements is \$250 million split 60/40 between Central Government and LAPP. From 1 July 2014 the Council has entered into a commercial insurance arrangement to cover underground assets.
- c. The total value of all assets of the local authority that are self-insured is nil except for any insurance claims below the excess. Council has no funds maintained by the local authority for that purpose.

Note 20 – Accumulated funds

	NOTES	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Opening balance 01 July		236,107	238,321	236,245	238,399
Net Surplus (deficit)		(1,919)	(2,850)	(1,869)	(2,790)
		234,188	235,471	234,376	235,609
Transfer to:					
Restricted reserves	21	(744)	(715)	(745)	(717)
Accounts restricted by law		(1,420)	(655)	(1,420)	(655)
Net revaluation gains and losses		0	0	0	0
Asset revaluation reserve on disposal of property, plant and equipment		0	0	0	0
		(2,165)	(1,370)	(2,165)	(1,372)
Transfer from:					
Restricted reserves	21	403	634	405	636
Accounts restricted by law		730	518	730	518
Accumulated reserve transfer		0	0	0	0
Asset revaluation reserve on disposal of property, plant and equipment		819	854	819	854
		1,952	2,006	1,954	2,008
Closing balance 30 June		233,976	236,107	234,165	236,245

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Fair value through other comprehensive income				
Opening balance 01 July	129	129	129	129
Net revaluation gains/losses	0	0	0	0
Closing balance 30 June	129	129	129	129

Note 21 – Restricted 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 prudently 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 today and not expecting them to meet the full costs of long term assets that will benefit ratepayers in future generations.

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 needs 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 areas of 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 are made where funds have been used for the purpose they were created.

Restricted reserves	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Reserve funds	1,808	1,467	1,846	1,506
Other accounts restricted by law	4,206	3,516	4,206	3,516
Closing balance 30 June	6,014	4,983	6,052	5,022

A – Reserve Funds

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Opening balance 01 July	1,467	1,386	1,506	1,425
Transfers from net surplus	744	715	745	717
Transfers from accumulated funds	0	0	0	0
	2,211	2,101	2,251	2,142
Transfers to net surplus	0	0	0	0
Transfers to accumulated funds	(403)	(634)	(405)	(636)
Closing balance 30 June	1,808	1,467	1,846	1,506

Contents of reserve funds	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Sierra Way subdivision ⁷	121	116	121	116
Civic amenities fund ²	1	1	1	1
Amenities fund ²	353	350	353	350
Plant renewal ³	358	246	358	246
Reserve fund contribution ⁴	537	350	537	350
Council property sales ⁶	43	42	43	42
Cash in lieu parking fund account ⁵	2	2	2	2
Harcourt Park maintenance fund ⁸	4	1	4	1
General reserve fund ¹	8	6	8	6
Blue Mountain roading levy ⁷	36	4	36	4
Akatarawa roading levy ⁷	55	53	55	53
Kaitoke roading levy ⁷	17	16	17	16
Mangaroa roading levy ⁷	199	193	199	193
Katherine Mansfield roading levy ⁷	0	0	0	0
Moonshine Hill Road levy ⁷	5	4	5	4
Alexander Road levy ⁷	5	5	5	5
Library redevelopment fund ⁸	0	0	0	0
Trench resealing levy ¹⁰	23	38	23	38
Kurth Crescent Stormwater levy ¹¹	41	40	41	40
Arts scholarship fund ¹²	0	0	38	39
Closing balance 30 June	1,808	1,467	1,846	1,506

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.
12. **Arts Scholarship Fund** – funds collected to provide an annual scholarship.

Special funds for 2013 - 2014	Balance 1 July 2013 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2014 (\$000)
Sierra Way subdivision	116	5	0	121
Civic amenities fund	1	0	0	1
Amenities fund	350	61	(58)	353
Plant renewal reserve	246	181	(69)	358
Reserve fund contribution	350	444	(257)	537
Council property sales	42	1	0	43
Cash in lieu parking fund account	2	0	0	2
Harcourt Park maintenance fund	1	3	0	4
General reserve fund	6	2	0	8
Akatarawa roading levy	53	2	0	55
Kaitoke roading levy	16	1	0	17
Mangaroa roading levy	193	6	0	199
Katherine Mansfield roading levy	0	0	0	0
Blue Mountain roading levy	4	35	(3)	36
Moonshine Hill Road levy	4	1	0	5
Alexander Road levy	5	0	0	5
Swamp Road levy	0	0	0	0
Library redevelopment fund	0	0	0	0
Cemetery Development	0	0	0	0
Trench resealing levy	38	1	(16)	23
Kurth Crescent Stormwater levy	40	1	0	41
Total special funds for 30 June Parent	1,467	744	(403)	1,808
Arts scholarship fund	39	1	(2)	38
Total special funds for 30 June Group	1,506	745	(405)	1,846

Special funds for 2012 - 2013	Balance 1 July 2012 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2013 (\$000)
Sierra Way subdivision	113	3	0	116
Civic amenities fund	1	0	0	1
Amenities fund	306	95	(51)	350
Plant renewal reserve	76	170	0	246
Reserve fund contribution	554	374	(578)	350
Council property sales	40	2	0	42
Cash in lieu parking fund account	2	0	0	2
Harcourt Park maintenance fund	1	4	(4)	1
General reserve fund	4	2	0	6
Akatarawa roading levy	51	2	0	53
Kaitoke roading levy	7	10	(1)	16
Mangaroa roading levy	181	12	0	193
Katherine Mansfield roading levy	0	0	0	0
Blue Mountain roading levy	4	0	0	4
Moonshine Hill Road levy	4	0	0	4
Alexander Road levy	5	0	0	5
Swamp Road levy	0	0	0	0
Library redevelopment fund	0	0	0	0
Cemetery Development	0	0	0	0
Trench resealing levy	37	1	0	38
Kurth Crescent Stormwater levy	0	40	0	40
Total special funds for 30 June Parent	1,386	715	(634)	1,467
Arts scholarship fund	39	2	(2)	39
Total special funds for 30 June Group	1,424	717	(636)	1,506

B – Other accounts restricted by law

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Opening balance 01 July	3,516	3,379	3,516	3,379
Transfers from net surplus	1,420	655	1,420	655
Transfers to accumulated funds	(730)	(518)	(730)	(518)
Closing balance 30 June	4,206	3,516	4,206	3,516

Contents of other accounts restricted by law	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Dog control account	0	36	0	36
Water rate account	732	600	732	600
Stormwater rate account	956	1,277	956	1,277
Wastewater rate account	2,518	1,603	2,518	1,603
Closing balance 30 June	4,206	3,516	4,206	3,516

Other accounts restricted by law for 2013 - 2014	Activities to which the reserve relates to	Balance 1 July 2013 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2014 (\$000)
Dog control account	Dogs	36	0	(36)	0
Water rate account	Water	600	232	(100)	732
Stormwater rate account	Stormwater	1,277	0	(321)	956
Wastewater rate account	Wastewater	1,603	1,188	(273)	2,518
Closing balance 30 June		3,516	1,420	(730)	4,206

Other accounts restricted by law for 2012 - 2013	Activities to which the reserve relates to	Balance 1 July 2012 (\$000)	Transfers into fund (\$000)	Transfers out of fund (\$000)	Balance 30 June 2013 (\$000)
Dog control account	Dogs	58	(22)	0	36
Water rate account	Water	472	218	(90)	600
Stormwater rate account	Stormwater	1,171	156	(50)	1,277
Wastewater rate account	Wastewater	1,678	303	(378)	1,603
Closing balance 30 June		3,379	655	(517)	3,516

Purpose of each fund

The income from fees or rates for each of these activities can only be expended on each specific activity.

Any surpluses are transferred into these accounts and applied in future periods to mitigate income requirements.

Note 22 – Asset revaluation reserves

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Opening balance 01 July	396,036	385,544	396,036	385,544
Revaluation gains (losses)	10,114	11,346	10,114	11,346
Transfer of revaluation reserve to/from accumulated reserve on disposal of property, plant and equipment	(819)	(854)	(819)	(854)
Closing balance 30 June	405,331	396,036	405,331	396,036
Consists of :-				
General asset revaluation reserve	19,575	24,960	19,575	24,960
Land asset revaluation reserve	22,661	22,195	22,661	22,195
Roading asset revaluation reserve	116,903	113,153	116,903	113,153
Stormwater asset revaluation reserve	88,073	84,143	88,073	84,143
Hutt Valley Wastewater Scheme revaluation reserve	26,186	26,186	26,186	26,186
Wastewater asset revaluation reserve	67,630	66,482	67,630	66,482
Water asset revaluation reserve	64,271	58,917	64,271	58,917
Forestry asset revaluation reserve	32	0	32	0
Closing balance 30 June	405,331	396,036	405,331	396,036

Note 23 – Reconciliation of surplus/(deficit) after tax to net cashflow from operating activities

	Actual Parent 30 Jun 14 (\$000)	Actual Parent 30 Jun 13 (\$000)	Actual Group 30 Jun 14 (\$000)	Actual Group 30 Jun 13 (\$000)
Surplus/(deficit) after tax	(1,919)	(2,850)	(1,869)	(2,790)
Add/(less) non-cash items:				
Depreciation	12,032	11,894	12,038	11,901
Donated asset	0	0	0	0
Vested assets	(2,691)	(2,153)	(2,691)	(2,153)
Amortisation of intangible	43	0	43	0
Impairment of receivables	7	14	7	14
Loss (profit) on derivative	7	(143)	7	(143)
Rates remission	100	0	100	0
Potential weathertightness claims	57	(470)	57	(470)
	9,555	9,142	9,561	9,149
Add/(less) items classified as investing or financing activities:				
Impairment of investments	0	0	0	0
Loss on disposal of property, plant and equipment	1,146	802	1,146	802
Profit on disposal of property, plant and equipment	(140)	0	(140)	0
	1,006	802	1,006	802
Movements in working capital items				
(Increase)/decrease in trade receivable	729	305	750	284
(Increase)/decrease in inventories	(11)	(1)	(8)	(1)
Increase/(decrease) in trade and other payables	(1,131)	1,252	(1,097)	1,224
Increase/(decrease) in employee benefits	23	(2)	20	6
	(390)	1,554	(335)	1,513
Net cash inflow/(outflow) from operating activities	8,252	8,648	8,363	8,674

Note 24 – Contingencies

Contingent liabilities	Actual	Actual	Actual	Actual
	Parent	Parent	Group	Group
	30 Jun 14	30 Jun 13	30 Jun 14	30 Jun 13
	(\$000)	(\$000)	(\$000)	(\$000)
Guarantees	0	2,150	0	2,150
Other legal proceedings	446	407	446	407
Total contingent liabilities	446	2,557	446	2,557

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. Councils do this through commercial insurance 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 association with its insurance broker and neighbouring councils (Hutt City, Porirua, and Kapiti Coast) the Council has been able to secure commercial insurance for (underground) infrastructure assets from 1 July 2014. This arrangement provides the Council with both better and more economic cover. As a consequence the Council has confirmed to LAPP its intention to resign from the fund. There is thus no contingent liability in regard to infrastructure insurance from 1 July 2014. (In 2013 it was up to \$1,075,000 for one event, or up to \$2,150,000 for two events).

Unquantified claims

Upper Hutt City Council has 11 claims outstanding; seven have proceedings issued on them. (2013, ten claims, seven 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 2014, there are 33 facilities, having an approximate value of \$7.341 million (2013, 33 facilities - \$7.036 million). This estimate has been based on government valuations for the area.

Note 25 – Remuneration of the Chief Executive Officer

The Chief Executive Officer of the Upper Hutt City Council, appointed under section 42(1) (a) of the Local Government Act 2002. The Chief Executive Officer's remuneration package as at 30 June was:

	30 Jun 14 \$	30 Jun 13 \$
Salary	236,217	231,238
Private use of a car	17,724	17,724
Total remuneration, including fringe benefit tax.	253,941	248,962

The Chief Executive Officer's actual remuneration was:

Salary	235,260	231,000
Private use of a car	17,724	17,724
Actual total remuneration, including fringe benefit tax.	252,984	248,724

Note 26 – Remuneration of elected members

During the year Upper Hutt City Council paid total costs, including meeting allowances of \$407,061 (\$400,624 at 30 June 2013) to elected members, as follows:

	Actual 30 Jun 14 \$	Actual 30 Jun 13 \$
His Worship the Mayor, Wayne Guppy	96,935	93,219
Deputy Mayor Peter McCardle (retired)	13,162	40,298
Cr. Patricia Christianson (retired)	8,344	25,347
Cr. Nellie Gillies (retired)	11,441	35,059
Cr Mary Archibald	27,324	25,347
Cr. Dean Rabbitt	33,849	35,059
Deputy Mayor John Gwilliam	38,909	39,109
Cr. Dave Wheeler	29,039	25,687
Cr. Glenn McArthur	31,608	26,331
Cr. Hellen Swales	30,752	25,347
Cr. Nick Thomas (not re-elected)	9,775	29,821
Cr. Blair Griffiths (newly elected)	18,981	0
Cr. Paul Lambert (newly elected)	18,981	0
Cr. Angela McLeod (newly elected)	18,981	0
Cr. Steve Taylor (newly elected)	18,981	0
Total remuneration of elected members	407,061	400,624

Included in the payments above are resource consent hearing fees to the following Councillors. These fees are recoverable from applicants.

	Actual 30 Jun 14 \$	Actual 30 Jun 13 \$
Deputy Mayor J. Gwilliam	0	1,230
Cr. D Wheeler	0	380
Cr. G McArthur	0	984
Total resource consents hearing fees	0	2,594

Note 27 – Related party transactions

Key management personnel includes the Mayor, Councillors, Chief Executive and Department Directors.

During the year Councillors and key management, as part of a normal customer relationship, were involved in minor transactions with Upper Hutt City Council (such as payment of rates, purchase of rubbish bags etc).

No provision has been required, nor expense recognised for impairment of receivables for any loans or other receivables to related parties (2013, \$nil). During the year Council had the following transactions:

A – with Expressions Arts and Entertainment Trust (Expressions)	Actual 30 Jun 14 (\$000)	Actual 30 Jun 13 (\$000)
i. During the year Council had the following transactions:		
Grants	580	577
Maintenance Management Fee	19	19
Other	53	40
Total with Expressions Arts and Entertainment Trust (Expressions)	652	636

- ii. At year-end 2014, \$33,523 (\$33,810 in 2013) was owed by Expressions to Council; also Council owed \$4,370 to Expressions (\$8,083 in 2013).

B – with Councillors	Actual Parent 30 Jun 14 \$	Actual Parent 30 Jun 13 \$	Actual Group 30 Jun 14 \$	Actual Group 30 Jun 13 \$
John Gwilliam (legal services)	0	0	0	0
Cr. M Archibald (Company and associated family member is a contractor)	10,872	22,251	10,872	22,251
Cr N Thomas (not re-elected)	0	5,549	0	5,549
His Worship the Mayor, W. Guppy (associated family member)	0	0	0	0
Total with Councillors Upper Hutt City Council	10,872	27,800	10,872	27,800
Peter Benner	0	0	11,802	0
Total for group	10,872	27,800	22,674	27,800

C – Key management personnel compensation	Actual Parent 30 Jun 14 \$	Actual Parent 30 Jun 13 \$	Actual Group 30 Jun 14 \$	Actual Group 30 Jun 13 \$
Salaries and other short term employee benefits	1,408,089	1,390,257	1,630,290	1,605,957
Post-employment benefits	0	0	0	0
Other long term benefits	0	0	0	0
Termination benefits	0	0	0	0
Total key management personnel compensation	1,408,089	1,390,257	1,630,290	1,605,957

Key management personnel include the Mayor, Councillors, Chief Executive and Departmental Directors.

Close family members of key management personnel are employed by Council. The terms and conditions of those arrangements are no more favourable than Council would have adopted if there was no relationship to key management personnel. During the year Councillors and Senior Management, as part of a normal customer relationship were involved in minor transactions with the Council (such as payment of rates etc.).

The total paid out in 2014 was \$7,409 (2013, \$11,502). The group was \$7,409 (2013, \$11,502).

Expressions paid \$11,802 to a company in which a senior staff member of Expressions is a sole shareholder (2013: \$8,866 per prior year).

D – Hutt Valley Youth Health Trust

Upper Hutt City Council and Hutt City Council appoint all seven Hutt Valley Youth Health Trust trustees and thus under section 6 of the Local Government Act 2002, the trust is classified as a Council Controlled Organisation. Other than its role in the appointment of trustees Upper Hutt City Council does not have influence over the operations of the trust nor does it provide funding. Upper Hutt City Council does not require any form of accountability from the trust.

Note 28 – Severance payments

For the year ending 30 June 2014 Upper Hutt City Council made seven severance payments to employees totalling \$43,428 (2013, (2) \$25,644). The severance payments were from \$635, \$15,230, \$4,996, \$13,433, \$3,769, \$2,682, and \$2,682.

Note 29 – Summary of employee levels

	30 Jun 14 Employee Numbers	30 Jun 13 Employee Numbers	30 Jun 14 Full time Equivalent Employee Numbers	30 Jun 13 Full time Equivalent Employee Numbers
Casual employees	38	62	3	6
Part-time employees	49	66	28	24
Full-time employees	70	62	70	62
Band range \$60,000 or under total remuneration	157	190	101	92
Full-time employees	24	22	24	22
Band range \$60,001 to \$80,000 total remuneration	24	22	24	22
Full-time employees	9	11	9	11
Band range \$80,001 to \$100,000 total remuneration	9	11	9	11
Full-time employees	5	6	5	6
Band range \$100,001 to \$120,000 total remuneration	5	6	5	6
Full-time employees	4	4	4	4
Band range \$120,001 to \$140,000 total remuneration	4	4	4	4
Full-time employees	4	1	4	1
Band range \$140,001 to \$260,000 total remuneration	4	1	4	1
Total employee numbers	203	234	147	136

Total remuneration includes non-financial benefits provided to employees.

A full-time employee is determined on the basis of a forty hour week.

Note 30 – Major estimate variations

Explanations for major variations from the Council 2013 – 2014 Annual Plan are as follows:

Statement of Comprehensive Income

Operating Revenue was \$1,023,000 below estimate. The following are the main variances:

- Rate income was up by \$204,000 over estimate due to growth of subdivisions within the city
- Fees and Charges were below estimate by \$860,000 for Council
- the main lower components being:
 - permit and license fees down by \$374,000 due to building consents down
 - property income down \$1,468,000 due to a hold up in the development and sale of Maidstone Terraces housing
 - \$218,000 H²O Xstream charge due to two pool closures
 - \$146,000 library, parks and cemetery charges down
 - Vested asset income up by \$402,000.
- Development and financial contributions were lower by \$204,000 mainly due to rural road contributions
- Subsidies and Grants were below estimate by \$383,000. This was solely due to a drop in community grants received by Council
- Operating Expenditure was \$2,934,000 below estimate.

The following are the main variances;

- Depreciation was \$169,000 lower than budget. This reflects the impact of asset revaluations and depreciation of the Wastewater project
- Bulk drainage levy is \$226,000 lower than expected
- Personnel costs were \$501,000 higher as actual personnel costs includes costs allocated to projects
- Other costs were down from budget by \$2.936 million and they comprised of:
 - Insurance (\$136,000)
 - Printing and stationary (\$163,000)
 - Electricity /Gas energy (\$86,000)
 - Land transport general maintenance (\$268,000)
 - other operating expenses are down by (\$3,076,000) which is due to payments of weathertightness claims last year.

Statement of Financial Position

Asset revaluation reserves have increased by \$10.114 million due to the revaluation of Infrastructural assets.

Public debt at balance date was \$25.427 million. This compares with estimate of \$27.962 million, the difference is due to cancellation of NZTA subsidised projects which Council proportion were to funded by loan and the weathertightness loan which was budgeted at \$2.3 million but the claim was \$540,000. This was funded from the 2012 – 2013 financial year as it came in earlier than expected.

Capital Expenditure

Capital Expenditure has fluctuated in accordance with 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.

Note 31 – Discontinued activities

2014 nil (2013, nil)

Note 32 – Post balance date events

There were no post balance date events between year-end and the date of signing of the financial statements (2013: no events).

Quality assurance statement

The quality of Council's activities during the year was demonstrated by:

Level of community satisfaction

A number of the performance measures contained within the Annual Report are based on measures of opinions expressed by members of the public in the Annual Community Survey.

The professionally-designed survey was conducted among randomly selected members of the community. The survey has a statistical accuracy of plus or minus 4.9% at the 95% confidence level. The questionnaire was prepared by Key Research, who also carried out the telephone interviews and analysed the results.

The survey satisfaction targets recorded within this report are expressed as a percentage of the total number of persons surveyed who both responded to the particular question and expressed an opinion. Benchmarks have been established from prior surveys.

The survey is a valuable and reliable tool in identifying the community's views on the quality of the various services provided by Council. This helps Council to plan for future activities and improvements to the services it provides.

Equal Employment Opportunities (EEO)

Equal Employment Opportunities (EEO) refers to the operation of the principle that no employee or applicant for employment, who is appropriately skilled and qualified, may be discriminated against on employment related matters due to some irrelevant personal characteristic, belief or association.

Policy

The Upper Hutt City Council affirms its commitment to the principle of Equal Employment Opportunities with a view to:

- eliminating discrimination and ensuring the continued absence of discrimination in employment on the grounds of age, race, colour, ethnic or national origins, sex, disability, religious, ethical or political belief, employment, marital or family status, sexual orientation, political opinion, or other personal characteristic that does not relate to skills or qualifications
- promoting equal opportunity in all aspects of employment including recruitment, promotion, remuneration and training.

Goals	1. Eliminate discrimination and ensure the continued absence of discrimination in employment
Performance Measure	Eliminate discrimination and ensure the continued absence of discrimination in employment
Achievements as at 30 June 2014	Council continues to operate in accordance with the Human Rights Act, Employment Relations Act and all EEO related policies.

Performance Measure	Provide procedures where by any aggrieved employee can seek to have a review of any policy, practice or action which is perceived to be contrary to the Council's policy on Equal Employment Opportunities
Achievements as at 30 June 2014	The EEO Committee continue to be available to deal with any complaints in accordance with the procedures outlined in its EEO related policies. The EEO policy and its procedures are reviewed by the EEO Committee annually to ensure this.

Performance Measure	Continue to provide training for members of the Equal Employment Opportunities Committee in matters relating to Equal Employment Opportunity principles and programmes
Achievements as at 30 June 2014	EEO Committee members continue to receive training in Workplace Bullying and Harassment and the DIScover services.

Goals	2. Promoting Equal Opportunity in all aspects of employment including recruitment, promotion, remuneration and training
Performance Measure	Hold a minimum of four meetings of the Equal Employment Opportunities Committee
Achievements as at 30 June 2014	The current EEO Committee was elected in 2010 and have elected to continue for another two years, showing their commitment to their roles.

Performance Measure	Provide and encourage training for management staff in matters relating to Equal Employment Opportunity principles and programmes
Achievements as at 30 June 2014	Training was provided to non-committee members and further EEO awareness is taking place to inform and educate other staff.

Performance Measure	Make available Equal Employment Opportunities promotional material to staff
Achievements as at 30 June 2014	EEO material is provided in Induction Packs and the Staff Manual. EEO material is also included as a component of the induction programme for new employees.

Performance against year two of the 2012-22 Long Term Plan

Specific objectives and targets

A comparison of the Council's achievements as a parent in respect of some key targets established in the Long Term Plan (LTP) are as follows. Also included are details of specific areas where there have been significant variations:

	Actual 30 Jun 14 (\$000)	LTP Forecast 30 Jun 14 (\$000)	Actual 30 Jun 13 (\$000)	LTP Forecast 30 Jun 13 (\$000)
Key targets				
Total income	43,860	45,070	41,473	41,473
Total expenditure	45,779	48,548	44,323	44,323
Operating surplus / (deficit)	(1,919)	(3,478)	(2,850)	(2,850)
Total equity / net assets	645,321	615,854	637,126	637,126
Public debt	25,427	28,968	24,587	24,587
Capital expenditure	10,202	11,576	11,541	11,541
Specific activities (net funding)				
Leadership	2,097	2,448	2,160	2,160
Land Transport	4,479	5,132	4,699	4,699
Water Supply	4,686	4,762	4,235	4,235
Wastewater	5,368	6,270	6,261	6,261
Stormwater	2,242	2,284	2,115	2,115
Rubbish and recycling	(480)	(506)	(344)	(344)
Planning and regulatory services				
<i>City Planning</i>	1,112	1,259	1,096	1,096
<i>Building and compliance services</i>	1,230	778	522	522
Community Services				
<i>Community Development</i>	602	641	550	550
<i>Activation</i>	250	213	200	200
<i>Emergency Management</i>	502	606	563	564
Facilities				
<i>Parks and Reserves</i>	2,136	2,217	2,345	2,345
<i>H²O Xtream</i>	1,327	1,527	1,262	1,262
<i>Library</i>	2,380	2,415	2,366	2,366
<i>Expressions Arts and Entertainment Centre</i>	775	818	840	840
<i>Property</i>	70	2	146	146
<i>Akatarawa Cemetery</i>	7	(17)	19	19
<i>Support services</i>	99	25	64	64
Economic Development	939	925	823	823

Actual versus Long Term Plan (LTP)

Explanations for major variations from Upper Hutt City Council's 2013 – 2014 LTP year 2 are as follows.

Statement of comprehensive income

Operating Revenue was \$1,210,000 below estimate. The following are the main variances:

- Rates income was up by \$206,000 over estimate due to changes in funding of projects
- Fees and Charges were above estimate by \$228,000 for Council
- The main change to the components being:
 - meter water charges (-\$157,000 up)
 - property rentals (-\$72,000)
 - permit and license fees (-\$463,000)
 - -\$237,000 H²O Xtream charges
 - library, parks and cemetery fee (-\$226,000)
 - vested assets (-\$397,000)
 - \$1,325,000 up in other charges
- Development and financial contributions were lower by \$204,000 mainly due to rural road contributions
- Subsidies and Grants were below estimate by \$1,249,000. This was solely due to a drop in community grants received by Council and NZTA projects being deferred as funding was not given as expected under the LTP

Operating Expenditure was \$2,769,000 below estimate. The following are the main variances:

- Depreciation was \$87,000 above budget. This reflects the impact of asset revaluations and depreciation of the Wastewater project
- Bulk drainage levy is \$111,000 higher
- Personnel costs up by \$508,000
- Other costs were down from budget by \$2,880,000 and they comprised of:
 - loss on disposal (\$503,000)
 - motor vehicles (\$64,000)
 - printing and stationary (\$161,000)
 - electricity/gas energy (\$96,000)
 - other operating expenses \$3,007,000 which the LTP allowed for a \$2,300,000 payment of weathertightness claims.

Statement of financial position

Asset revaluation reserves have increased by \$26,237,000 due to the revaluation of infrastructural assets.

Public debt at balance date was \$25,400,000. This compares with estimate for LTP of \$28,968,000, the difference is due to cancellation of NZTA subsidised projects which Council proportion were to be funded by loan and the \$2,300,000 weathertightness claim that was claimed at a lesser amount.

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.

Funding policy statement

Significant activity	General rates		Separate rates		User contributions, subsidies, loans, special funds and other sources		
	Policy	Actual	Policy	Actual	Policy	Actual	
Leadership	90% - 100%	94%			0% - 10%	6%	
Land Transport	50% - 70%	61%			30% - 50%	39%	
Water Supply			80%	74%	20%	26%	2
Wastewater			90% - 100%	84%	0% - 10%	16%	
Stormwater			90% - 100%	90%	0% - 10%	10%	
Rubbish and recycling					100%	100%	
<i>Planning and Regulatory Services</i>							
City Planning	65% - 90%	58%			10% - 35%	42%	2
<i>Building and Compliance Services</i>							
Dog Control					100%		
Building Control	0% - 30%	57%			70% - 100%	43%	2
Environmental Health	75% - 90%	78%			10% - 25%	22%	
Parking Enforcement	0% - 15%	0			85% or more	100%	
Liquor Licensing	0% - 20%	33%			80% - 100%	67%	
<i>Community Services</i>							
Community Development	Up to 100%	79%			Up to 100%	21%	1
Activation	Up to 80%	36%			20% - 85%	64%	
Emergency Management	85% - 100%	71%			0% - 15%	29%	2
<i>Facilities</i>							
Parks and Reserves	90% - 100%	66%			0% - 10%	34%	2
H ² O Xstream	40% - 65%	49%			35% - 60%	51%	2
Library	85% - 95%	93%			5% - 15%	7%	1
Expressions	Up to 100%	98%			Up to 100%	2%	2
Property	0%	23%			100%	77%	
Akatarawa Cemetery	Balance	3%			Up to 100%	97%	3
Economic Development	95% - 100%	98%			0% - 5%	2%	

1. One off projects/expenses
2. Up to 100% of capital projects
3. Balance of development costs from general rates

Upper Hutt City Council

OUR CORPORATE MANAGEMENT TEAM



LACHLAN WALLACH

TAM SIN SOMERVILLE

CHRIS UPTON

IAN JOHNSON

RICHARD HARBORD

Chris Upton CHIEF EXECUTIVE

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Human Resources
Democratic Services
Executive Support

Lachlan Wallach

ASSET MANAGEMENT AND OPERATIONS

Engineering consents
Emergency response and management
Rural fire
Contract safety
Solid waste
Subdivisions
Parks and reserves
Roading management
Traffic management
Fleet management
Drainage
Water Supply

Tamsin Somerville

BUSINESS DEVELOPMENT SERVICES

Economic development
Marketing and communications
Strategic planning
Policy and reporting
Corporate policy

Director to be appointed

COMMUNITY SERVICES

Central Government liaison
Expressions
City Library
Community Development
Recreation Services
H₂O Xstream

Ian Johnson

CORPORATE SERVICES

Insurances
Administration
Legal Services
Customer Services
Finance
Information Systems

Richard Harbord

PLANNING AND REGULATORY SERVICES

Building control, consents, and compliance
Resource consents and compliance
Urban and rural planning
Compliance services
Environmental health
Animal control
Noise control
Abandoned vehicles
Parking enforcement

Upper Hutt City Council

OUR MAYOR AND COUNCILLORS



MARY ARCHIBALD BLAIR GRIFFITHS PAUL LAMBERT GLENN MCARTHUR JOHN GWILLIAM WAYNE GUPPY ANGELA MCLEOD DEAN RABBITT HELLEN SWALES STEVE TAYLOR DAVE WHEELER

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